

**Clayton-le-Moors All Saints'
Church of England Primary School
Financial Statements
For
The Year Ended 31 August 2014**

Company Registration Number: 7770605

BEEVER AND STRUTHERS

Chartered Accountants & Statutory Auditor
Central Buildings
Richmond Terrace
Blackburn
BB1 7AP

FRIDAY



A18 *A47GZ81T* 15/05/2015 #257
COMPANIES HOUSE

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

**Financial Statements
Year Ended 31 August 2014**

| Contents | Pages |
|---|--------------|
| Reference and Administrative Details | 1 - 2 |
| Governors' Annual Report | 3 - 15 |
| Governance Statement | 16 – 19 |
| Statement on Regularity, Propriety and Compliance | 20 |
| Statement of Governors' Responsibilities | 21 |
| Independent Auditor's Report | 22 - 23 |
| Independent Reporting Accountant's Assurance Report on Regularity | 24 - 25 |
| Statement of Financial Activities (Incorporating the Income and Expenditure Account) | 26 |
| Balance Sheet | 27 - 28 |
| Cash Flow Statement | 29 |
| Notes to the Financial Statements | 30 - 50 |

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

Reference & Administrative Details

Year Ended 31 August 2014

Members

| | |
|--|--|
| Chair Incumbent | Mr David Anderson Reverend John Tranter (Ex-Officio) (resigned 31/01/2014) |
| Chair of Buildings and Finance Committee | Mr Paul Smith |
| Chair of Curriculum Committee | Mrs Linda Turner |
| Representative from Blackburn Diocese | Reverend Paul Lock (resigned 31/08/2014) Mr Fred Kershaw (appointed 01/09/2014) |

Governors (Directors)

| | |
|-----------------------|--|
| Mr David Anderson | (Chair) Appointed by Blackburn Diocese* (BFC) |
| Reverend John Tranter | (Vice Chair)* (resigned 31/01/2014) |
| Mr Paul Smith | Appointed by All Saints' PCC (Parent)* (CC) (BFC) |
| Mrs Linda Turner | (Vice-Chair) Appointed by All Saints' PCC* (CC) |
| Mrs Barbara Dillon | Appointed by Blackburn Diocese* (CC) |
| Mrs Alison Barker | Appointed by All Saints' PCC* (CC) |
| Mr Jonathon Kenyon | Appointed by Blackburn Diocese* (BFC) |
| Mrs Julia Allen | Appointed by All Saints' PCC (Parent)* (CC) |
| Mrs Carol Oxford | Community Governor (BFC) Appointed 1/09/2013 |
| Mr Martin Shuker | Parent Representative (BFC) |
| Mr Steve Pemberton | Parent representative (CC) |
| Mr Ian Spencer | Head of school (CC) (BFC) |
| Mrs Ann Williams | Elected teacher governor (CC) |
| Miss Gillian Tolson | Elected Associate staff representative (BFC) |
| Reverend Paul Lock | Ex-Officio. Appointed 01/02/2014 (resigned 31/08/2014) |

(* are foundation governors)

('CC' are members of the Curriculum Committee)

('BFC' are members of the Building & Finance Committee)

PCC – Parochial Church Council

| | |
|------------------------|--|
| Company Secretary | Mrs Stephanie Kelly |
| Clerk to the Governors | Mrs Laura Nicholson |
| Responsible Officer | Mrs Pam Haralambos (St Christopher's CE High School) |

Senior Management Team:

| | |
|-----------------------------------|---|
| Headteacher | Mr Ian Spencer |
| Deputy Headteacher | Mrs Sarah Huddy (on maternity leave 1/10/2014 – 07/07/2014) |
| Acting Deputy Headteacher | Mrs Nicola Saporita-Clark (01/10/2014 – 7/07/2014) |
| Head of Foundation/KS1 | Mrs Karen Just |
| Head of KS2 | Mrs Nicola Saporita-Clark |
| SENCo | Mrs Nicola Saporita-Clark |
| Teaching Assistant Representative | Mrs Anita Larkin |

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

Reference & Administrative Details (continued)

Year Ended 31 August 2014

| | |
|--|--|
| Principal and Registered Office | Church Street Clayton-le-Moors Accrington Lancashire BB5 5HT |
| Company Registration Number | 7770605 |
| Independent Auditor | Beever and Struthers Chartered Accountants Central Buildings Richmond Terrace Blackburn Lancashire BB1 7AP |
| Bankers | Lloyds TSB plc Church Street Blackburn Lancashire BB2 1JQ |
| Solicitors (up to 31.03.2014) | Browne Jacobson 44 Castle Gate Nottingham NG1 7BJ |
| Solicitors (from 01.04.2014) | Forbes Solicitors Ribchester House Lancaster Road Preston PR1 2QL |

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

Year Ended 31 August 2014

Governors' Report

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a governors' report and a directors' report under company law.

Structure, Governance and Management

Constitution

Clayton-le-Moors All Saints' Church of England Primary School (the Academy Trust) is a company limited by guarantee with no share capital (registration number 07770605) and is an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of the Academy Trust and are also the directors of the charitable company for the purposes of company law. The Academy Trust is known as Clayton-le-Moors All Saints' Church of England Primary School.

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

Members' Liability

Each member of the Academy Trust undertakes to contribute to the assets of the Academy Trust 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.

Governors' Indemnities

The Governors of the Academy Trust are indemnified by an Ecclesiastical Insurance cover policy in accordance with normal commercial practice, to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover of up to £2,000,000 on any one claim (£10,000,000 in total p.a.).

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

Year Ended 31 August 2014

Governors' Report (continued)

Principal Activities

The principal 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.
- 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 local present needs 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.

Throughout the 2013-2014 year the management team, together with the governors, have been considering the next stage of the school's development. Consequently the school applied for, but were unsuccessful in achieving National Teaching School Status. However, there is no reason why the school cannot reapply in the future. In the meantime, All Saints', together with its key partner St Christopher's High School, continues to develop our alliance of schools in the area to manage and to provide Initial Teacher Training through the Schools Direct Programme from September 2015.

Method of Recruitment and Appointment or Election of Trustees and Governors

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, 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.

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

Year Ended 31 August 2014

Governors' Report (continued)

Method of Recruitment and Appointment or Election of Trustees and Governors (continued)

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 13 Governors. The Academy Trust's members are:

- the signatories to the Memorandum;
- the Blackburn Diocesan Board of Education;
- the Parochial Church Council of All Saints' Church, Clayton-le-Moors;
- 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 Head Teacher and the Incumbent (vacant position, currently covered by a member of the Blackburn Diocesan Board of Education) are both ex-officio governors.

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

- Reverend John Tranter resigned on 31 January 2014 and was replaced by Reverend Paul Lock who was appointed on 1 February 2014.
- Reverend Paul Lock resigned on 31 August 2014.
- Mrs Carol Oxford was appointed on 1 September 2013

The trustees, who were in office at 31 August 2014, are listed on page 1.

Policies and Procedures Adopted for the Induction and Training of Governors

All trustees and governors are provided with copies of procedures, minutes, accounts, budget plans and other documents that they will need to undertake their role as trustees and governors.

New Governors receive induction training and support from the Clerk to the Governing Body.

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 Finance, Resources and Buildings, 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 3 termly meetings, 3 curriculum committee meetings and 3 Finance and Building Committee meetings. 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.

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

Year Ended 31 August 2014

Governors' Report (continued)

Organisational Structure (continued)

All Governors are able to access current information through the schools website and regular information sent out by the school office staff, including the Company Secretary 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 Responsible Officer 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.

The day to day management of the Academy Trust is delegated by the governing body to the Head Teacher who is the Accounting Officer. The Head Teacher is supported by the Deputy Head, the school administrator, bursar and members of the School Management team.

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

Connected Organisations, including Related Party Relationships

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.

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 extensive 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.

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

Year Ended 31 August 2014

Governors' Report (continued)

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, 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 2014 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.

We are constantly monitoring and evaluating all aspects of our performance in order to raise standards still further.

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.

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

Year Ended 31 August 2014

Governors' Report (continued)

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 performance management objectives set and reviewed,
- Pupil involvement in leadership decisions through the use of our School, ECO and Arts 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 individuals on the staff including succession planning in order to maintain "outstanding,"
- Talent spotting of all pupils and encouraging and fostering the areas identified,
- 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 objectives and aims and in planning future activities for the year. Given the activities of the Academy Trust and the pupil population that it services, the trustees consider that the company's aims are demonstrably to the public benefit.

Strategic Report

Achievements and Performance

The Academy Trust is in its second year of operation and continues to achieve forecast numbers of pupils. Total numbers on roll in the year ended 31 August 2014 numbered 278, the Academy Trust being full in all but 2 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.

Attainment and Progress scores taken over a five year period, continue to indicate that the Academy Trust still continues to be one of the top performing schools in East Lancashire.

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.

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

Year Ended 31 August 2014

Governors' Report (continued)

Achievements and Performance (continued)

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 – 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

| | <u>Teacher Assessment</u> | |
|------------------------|---------------------------|-------------------|
| | <u>Nationally</u> | <u>All Saints</u> |
| English: | | |
| Speaking & Listening | 89% | 100% |
| Reading/ Comprehension | 89% | 95% |
| Writing | 85% | 92% |
| Maths | 91% | 95% |
| Science | 90% | 92% |

SIMS National Curriculum Assessment 2014 - 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 = 37

Number absent = 0

| | <u>Teacher Assessment</u> | | <u>Test Results</u> | |
|-----------------------------------|---------------------------|-------------------|---------------------|-------------------|
| | <u>Nationally</u> | <u>All Saints</u> | <u>Nationally</u> | <u>All Saints</u> |
| English : | 84% | 97% | - | - |
| Reading | - | 97% | 87% | 95% |
| Writing | - | 95% | | |
| Grammar, Punctuation and Spelling | | | 72% | 75% |
| Maths | 84% | 94% | 85% | 92% |
| Science | 86% | 95% | - | - |

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

Year Ended 31 August 2014

Governors' Report (continued)

Achievements and Performance (continued)

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 - 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 3 or above:

| | <u>Teacher Assessment</u> | |
|-----------------------|---------------------------|-------------------|
| | <u>Nationally</u> | <u>All Saints</u> |
| English | | |
| Speaking & Listening | 23% | 33% |
| Reading/Comprehension | 29% | 43% |
| Writing | 15% | 33% |
| Maths | 23% | 40% |
| Science | 22% | 45% |

SIMS National Curriculum Assessment 2014 - 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 5 (level 6):

| | <u>Teacher Assessment</u> | | <u>Test Results</u> | |
|-----------------------------------|---------------------------|-------------------|---------------------|-------------------|
| | <u>Nationally</u> | <u>All Saints</u> | <u>Nationally</u> | <u>All Saints</u> |
| English | 37% (1%) | 49% (0%) | - | - |
| Reading | - | 55% (8%) | 48% (0%) | 46% |
| Grammar, Punctuation and Spelling | | | 48% | 51% (0%) |
| Writing | - | 38% (5%) | - | - |
| Maths | 42% (4%) | 38% (11%) | 39% (3%) | 33% (11%) |
| Science | 38% | 43% | - | - |

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

Year Ended 31 August 2014

Governors' Report (continued)

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".

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 well-being 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".

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

Year Ended 31 August 2014

Governors' Report (continued)

Key Performance Indicators (continued)

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 governing body 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 Accounting Policies (page 30).

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,
- 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,
- To prevent all areas of wastage.

These objectives were achieved in the year ended 31st August 2014.

Financial Report for the Period

Most of the Academy Trust's income is obtained from the EFA (Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2014 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.

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

Year Ended 31 August 2014

Governors' Report (continued)

Financial Review (continued)

1. Government Funding

The Academy Trust has considerable reliance on continued Government funding through the EFA. In 2013/2014, 92% (2012/13: 87%) 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,
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA.

2. 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 2014 the deficit amounted to £325,000 (2013: £262,000).

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 approximately £42,000 (2013: £41,000). 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 £55,000 (2013: £54,000) to the Teachers' Pension Scheme on behalf of the teaching staff.

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 governors 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.

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

Year Ended 31 August 2014

Governors' Report (continued)

Financial Review (continued)

Financial Report for the Period (continued)

During the year ended 31st August 2014, total income was £1,120,739 (2013: £1,091,226) and expenditure was £1,219,911 (2013: £1,289,757). The net movement in funds for the period (excluding restricted fixed asset funds) was a deficit of £46,866 (2013: £95,063 deficit, including the recognition of £51,474 deficit on conversion from the predecessor school). The deficit from the predecessor school has been recognised in full in these financial statements but remains due to Lancashire County Council at the period end, this amount will be recovered over the next three years through the General Annual Grant.

At 31st August 2014 the net book value of fixed assets was £1,189,588 (2013: £1,294,894) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and associated support services to pupils.

Financial Position

The Academy Trust held fund balances at 31st August 2014 of £783,894 (2013: £936,066). This comprised restricted fixed asset funds of £1,189,588 (2013: £1,294,894), £11,811 (2013: £8,085) of unrestricted general funds and the general restricted funds are in deficit by £417,505 (2013: £366,913). The restricted general fund includes the recognition of the deficit arising on conversion from the predecessor school of £99,484 (2013: £99,484) and the pension scheme deficit of £325,000 (2013: £262,000). This LGPS deficit has mainly arisen due to the existing deficit on conversion of £254,000 however, the deficit has since been rising after converting to an academy. Governors acknowledge the current deficit and have put in place a repayment plan with the Lancashire County Pension Fund to help reduce the deficit in future years. This will be funded through the GAG.

Principal Risks and Uncertainties

The Academy Trust has undertaken work during the period to 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 Buildings and Finance

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 & Buildings Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy Trust level which is reviewed at least bi-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 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 Academy Trust's control. Other factors besides those listed below may also adversely affect the Academy Trust.

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

Year Ended 31 August 2014

Governors' Report (continued)

Reserves Policy (continued)

The governors have determined that the appropriate level of free reserves should be equivalent to 8 weeks expenditure, approximately £170,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Currently, the Academy Trust has a minimal amount of free reserves.

Cash at the bank on 31st August 2014 was £27,114 (2013: £8,301).

Investment Policy

At such a time when there would be any surplus cash balances they would be held on short fixed term deposits with Lloyds TSB Bank.

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.

Auditors

In so far as the governors are aware:

- there is no relevant audit information of which the Academy Trust's auditor is unaware; and
- the governors 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 are willing to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Governors' report, incorporating a strategic report, approved by order of the members of the governing body, as the company directors, on 12 November 2014 and signed on the board's behalf by:



D Anderson
Chairman of Governor

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

Year Ended 31 August 2014

Governance Statement

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that the Academy Trust 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 Governing Body 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 the Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

| Governor | Meetings attended | Out of a possible |
|------------------------------------|--------------------------|--------------------------|
| Mr David Anderson (Chair) | 4 | 4 |
| Reverend John Tranter (Vice-Chair) | 2 | 2 |
| Reverend Paul Lock | 1 | 2 |
| Mr Paul Smith | 4 | 4 |
| Mrs Linda Turner | 3 | 4 |
| Mrs Barbara Dillon | 4 | 4 |
| Mrs Alison Barker | 3 | 4 |
| Mr Jonathon Kenyon | 4 | 4 |
| Mrs Julia Allen | 4 | 4 |
| Mr Carol Oxford | 4 | 4 |
| Mr Martin Shuker | 4 | 4 |
| Mr Steve Pemberton | 2 | 4 |
| Mr Ian Spencer | 4 | 4 |
| Mrs Ann Williams | 2 | 4 |
| Miss Gillian Tolson | 3 | 4 |

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

- Reverend John Tranter resigned on 31 January 2014 and was replaced by Reverend Paul Lock who was appointed on 1 February 2014.
- Reverend Paul Lock resigned on 31 August 2014.

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

Year Ended 31 August 2014

Governance Statement (continued)

Governance (continued)

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 Carol Oxford joined the committee.

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|-----------------------|--------------------------|--------------------------|
| Mr Paul Smith (chair) | 3 | 3 |
| Mr David Anderson | 3 | 3 |
| Mr Ian Spencer | 3 | 3 |
| Mrs Carol Oxford | 0 | 1 |
| Miss Gillian Tolson | 3 | 3 |
| Mr Jonathan Kenyon | 2 | 3 |
| Mr Martin Shuker | 2 | 3 |

The Curriculum and Standards Committee is one of the two major sub-committees of the main governing body. 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.

During the year Reverend Paul Lock joined the committee but resigned at the year end.

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|--------------------------|--------------------------|--------------------------|
| Mrs Linda Turner (chair) | 2 | 3 |
| Mr Ian Spencer | 3 | 3 |
| Mr Paul Smith | 3 | 3 |
| Mrs Alison Barker | 3 | 3 |
| Mrs Ann Williams | 3 | 3 |
| Mrs Barabara Dillon | 2 | 3 |
| Mrs Julia Allen | 2 | 3 |
| Mr Steve Pemberton | 3 | 3 |
| Reverend Paul Lock | 1 | 2 |

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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

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

Year Ended 31 August 2014

Governance Statement (continued)

The Purpose of the System of Internal Control (continued)

has been in place in the Academy Trust for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Buildings and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mrs Pamela Haralambos, who is the Business Manager at St Christopher's CE High School, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body, through the Buildings and Finance Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The Academy Trust confirms that the RO function has been fully delivered in line with the EFA's requirements and that no material control issues arising as a result of the RO's work have been identified.

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

Year Ended 31 August 2014

Governance Statement (continued)

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Accounting Officer, in partnership with the School's Administrator and Bursar 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 Buildings and Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 12 November 2014 and signed on its behalf by:



D Anderson

Chairman of Governors / Director



I Spencer

Accounting Officer / Director

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

Year Ended 31 August 2014

Statement on Regularity, Propriety and Compliance

As accounting officer of the Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing Body 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 Governing Body and EFA.



Ian Spencer

Accounting Officer

Date: 12 November 2014

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

Year Ended 31 August 2014

Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities of the Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction 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 governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy Trust'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 governing body on 12 November 2014 and signed on its behalf by:



D Anderson

Chairman of Governors

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

Year Ended 31 August 2014

Independent Auditor's Report on the financial statements to the Governing Body of Clayton-le-Moors All Saints' Church of England Primary School

We have audited the financial statements of the Academy Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes on pages 30 to 50. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accountancy Practice) and the Annual Accounts Direction 2013 to 2014 issued by the EFA.

The report is made solely to the Governing 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 Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Governing 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 Governors' Responsibilities set out on page 21, the Governors are responsible for the preparation of the Governors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

Scope of the audit of the financial statements

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

Basis for qualified opinion on financial statements

The notes to the financial statements do not disclose the remuneration of Trustees, other than the Head Teacher. Such disclosure is required by the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP 2005).

At the 2014 EFA Auditor Conference it was disclosed that for 2013, the financial statements of 21 academies were similarly qualified.

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

Year Ended 31 August 2014

Independent Auditor's Report to the Governing Body of Clayton-le-Moors All Saints' Church of England Primary School (continued)

Qualified Opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

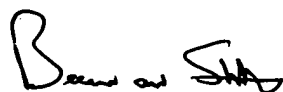
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Annual Report for the financial year 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:

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



GRAHAM WILSON (Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Chartered Accountants
& Statutory Auditor

12 November 2014

Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

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

Year Ended 31 August 2014

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

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 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 1 November 2011 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Year Ended 31 August 2014

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)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

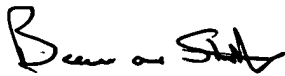
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- Review that the activities of the academy are in keeping with the academy's framework and charitable objectives; and
- Testing undertaken on a sample basis to review whether the academy's expenditure is in accordance with the Funding Agreement; and
- Other testing in accordance with the guidance issued in the Academies Accounts Direction 2013 to 2014.

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 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



GRAHAM WILSON (Reporting Accountant)
For and on behalf of
BEEVER AND STRUTHERS
Chartered Accountants
& Statutory Auditor

12 November 2014

Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

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

**Statement of Financial Activities (Incorporating the
Income and Expenditure Account)**

Year Ended 31 August 2014

| | | Unrestricted Funds | Restricted Funds | Restricted Fixed Asset Funds | Total Funds 2014 | Total Funds 2013 (as restated) |
|--|-----------|-----------------------|---------------------|------------------------------------|---------------------|--------------------------------------|
| | Note | £ | £ | £ | £ | £ |
| Incoming resources | | | | | | |
| Incoming resources from generating funds: | | | | | | |
| Voluntary income | 2 | – | 20,007 | – | 20,007 | 26,647 |
| Activities for generating funds | 3 | 16,361 | – | – | 16,361 | 11,252 |
| Investment income | 4 | 82 | – | – | 82 | 101 |
| Incoming resources from charitable activities: | | | | | | |
| Funding for the Academy Trust's educational operations | 5 | – | 1,023,800 | 7,161 | 1,030,961 | 997,689 |
| Other funding for the Academy's educational operations | 5 | – | 53,328 | – | 53,328 | 55,537 |
| Total incoming resources | | 16,443 | 1,097,135 | 7,161 | 1,120,739 | 1,091,226 |
| Resources expended | | | | | | |
| Charitable activities: | | | | | | |
| Academy's educational operations | 7 | (12,717) | (1,072,417) | (121,286) | (1,206,420) | (1,225,389) |
| Governance costs | 8 | – | (13,491) | – | (13,491) | (12,894) |
| Other resources expended – transfer from Local Authority on conversion | 6 | – | – | – | – | (51,474) |
| Total resources expended | 6 | (12,717) | (1,085,908) | (121,286) | (1,219,911) | (1,289,757) |
| Net (outgoing) / incoming resources before transfer | | 3,726 | 11,227 | (114,125) | (99,172) | (198,531) |
| Gross transfer between funds | 15 | – | (8,819) | 8,819 | – | – |
| Net (expenditure)/income for the year | | 3,726 | 2,408 | (105,306) | (99,172) | (198,531) |
| Other recognised gains and losses | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 15,24 | – | (53,000) | – | (53,000) | 5,000 |
| Net movement in funds | | 3,726 | (50,592) | (105,306) | (152,172) | (193,531) |
| Reconciliation of funds | | | | | | |
| Funds brought forward at 1 Sept 2013 | 15 | 8,085 | (366,913) | 1,294,894 | 936,066 | 1,129,597 |
| Funds carried forward at 31 August 2014 | 15 | 11,811 | (417,505) | 1,189,588 | 783,894 | 936,066 |

The Statement of Financial Activities includes all gains and losses in the period and therefore a statement of total recognised gains and losses has not been prepared.
All of the Academy Trust's activities derive from continuing operations in the above two financial periods.

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

Balance Sheet

31 August 2014

| | Note | 2014 £ | 2013 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 1,189,588 | 1,294,894 |
| Current assets | | | |
| Debtors | 13 | 19,031 | 31,612 |
| Cash at bank and in hand | | 27,114 | 8,301 |
| | | <u>46,145</u> | <u>39,913</u> |
| Liabilities | | | |
| Creditors: amounts falling due within one year | 14 | <u>(83,805)</u> | <u>(75,265)</u> |
| Net current (liabilities) | | <u>(37,660)</u> | <u>(35,352)</u> |
| Total assets less current liabilities | | <u>1,151,928</u> | <u>1,259,542</u> |
| Creditors: amounts falling due after one year | 14 | <u>(43,034)</u> | <u>(61,476)</u> |
| Net assets excluding pension liability | | <u>1,108,894</u> | <u>1,198,066</u> |
| Pension scheme liability | 24 | <u>(325,000)</u> | <u>(262,000)</u> |
| Net assets including pension liability | | <u>783,894</u> | <u>936,066</u> |
| Funds of the academy: | | | |
| Restricted funds | | | |
| Fixed asset funds | 15 | 1,189,588 | 1,294,894 |
| General funds | 15 | (92,505) | (104,913) |
| Pension reserve | 15 | (325,000) | (262,000) |
| Total restricted funds | | <u>772,083</u> | <u>927,981</u> |
| Unrestricted funds | | | |
| General fund | 15 | 11,811 | 8,085 |
| Total unrestricted funds | | <u>11,811</u> | <u>8,085</u> |
| Total funds | | <u>783,894</u> | <u>936,066</u> |

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

Balance Sheet (continued)

31 August 2014

The financial statements on pages 27 to 50 were approved by the Governors, and authorised for issue on 12 November 2014 and are signed on their behalf by:



**D Anderson
Chairman of Governors**

Company Registration No. 7770605

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

Cash Flow Statement

Year Ended 31 August 2014

| | Notes | 2014 £ | 2013 £ |
|---|-----------|---------------|-----------------|
| Net cash inflow/(outflow) from operating activities | 18 | 27,550 | (50,548) |
| Returns on investments and servicing of finance | 19 | 82 | 101 |
| Capital expenditure | 20 | (8,819) | (1,496) |
| Increase/(decrease) in cash in the year | 21 | 18,813 | (51,943) |
| Reconciliation of net cash flow to movement in net funds | | | |
| Net funds at 1 September 2013 | | 8,301 | 60,244 |
| Net funds at 31 August 2014 | 21 | 27,114 | 8,301 |

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

Notes to the Financial Statements

Year Ended 31 August 2014

1. Accounting Policies

Basis of Accounting

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 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently is set out below.

Going Concern

The Governors acknowledge the deficit arising on general restricted funds of £392,444. Further analysis, as shown in Note 15, identifies that the deficit primarily arises from the deficit on the Local Government Pension Scheme of £325,000. This deficit will be financed through ongoing contributions at the rates agreed with the scheme actuary, these contributions 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. £61,476 of this is outstanding at the period end but the financial forecasts show planned repayment of this amount over the coming three years in line with the agreed repayment plan. The Governors therefore believe it correct to prepare the accounts on a going concern basis.

Incoming Resources

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

- **Grants receivable**

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

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

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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.

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

Notes to the Financial Statements

Year Ended 31 August 2014

1. Accounting Policies (continued)

Donated Services and gifts in kind

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

On becoming an Academy Trust in 2011 the land and property of the predecessor school was leased to the company. The valuation of the land and buildings was prepared by DTZ on a depreciated replacement cost basis.

On becoming an Academy Trust in 2011 the school equipment of the predecessor school was transferred to the school. This was valued at insurance replacement cost values.

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 Governor's meetings and reimbursed expenses.

All resources expended are inclusive of VAT where irrecoverable.

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

Notes to the Financial Statements

Year Ended 31 August 2014

1. Accounting Policies (continued)

Tangible Fixed Assets

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

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

Depreciation

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 economic life, as follows:

| | |
|--------------------------|--------------------------------|
| Long-leasehold land | Over life of lease – 125 years |
| Long-leasehold buildings | 5% per annum |
| School equipment | 20% per annum |

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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Church of England Primary School

Notes to the Financial Statements

Year Ended 31 August 2014

1. Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds, on conversion in 2011 a deficit was transferred into the control of the Academy Trust. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

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

Notes to the Financial Statements

Year Ended 31 August 2014

2. Voluntary Income

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Other Donations | — | 20,007 | 20,007 | 26,647 |
| | <u>—</u> | <u>20,007</u> | <u>20,007</u> | <u>26,647</u> |

3. Activities for Generating Funds

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|----------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hiring of Facilities | 2,242 | — | 2,242 | 1,574 |
| School Fund Income | 14,119 | — | 14,119 | 9,678 |
| | <u>16,361</u> | <u>—</u> | <u>16,361</u> | <u>11,252</u> |

4. Investment Income

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 82 | — | 82 | 101 |
| | <u>82</u> | <u>—</u> | <u>82</u> | <u>101</u> |

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

Notes to the Financial Statements

Year Ended 31 August 2014

5. Incoming Resources from Charitable Activities

Funding for the Academy Trust's Educational Operations

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE / EFA grants | | | | |
| General Annual Grant (GAG) | – | 1,013,995 | 1,013,995 | 948,931 |
| Capital grant | – | 7,161 | 7,161 | 7,116 |
| Other DfE / EFA grants | – | 9,805 | 9,805 | 41,342 |
| | <u>–</u> | <u>1,030,961</u> | <u>1,030,961</u> | <u>997,389</u> |
| Other Government grants | | | | |
| Local authority grants | – | – | – | 300 |
| | <u>–</u> | <u>–</u> | <u>–</u> | <u>300</u> |
| | <u>–</u> | <u>1,030,961</u> | <u>1,030,961</u> | <u>997,689</u> |

Other Funding for Academy's Educational Operations

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Other Income | | | | |
| Insurance Receipts | – | 9,259 | 9,259 | 9,089 |
| Catering Income | – | 39,691 | 39,691 | 39,823 |
| Music Income | – | 3,375 | 3,375 | 5,161 |
| Other Income | – | 1,003 | 1,003 | 1,464 |
| | <u>–</u> | <u>53,328</u> | <u>53,328</u> | <u>55,537</u> |

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

Notes to the Financial Statements

Year Ended 31 August 2014

6. Resources Expended

| | Staff Costs | Non Pay Premises | Expenditure Other Costs | Total 2014 | Total 2013 |
|--|----------------|---------------------|-------------------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Costs of activities for generating funds | – | – | 1,057 | 1,057 | – |
| Academy's educational operations | | | | | |
| - Direct costs | 734,764 | – | 169,728 | 904,492 | 897,755 |
| - Allocated support costs | 137,016 | 68,041 | 95,814 | 300,871 | 327,634 |
| | <u>871,780</u> | <u>68,041</u> | <u>266,599</u> | <u>1,206,420</u> | <u>1,225,389</u> |
| Governance costs including allocated support costs | – | – | 13,491 | 13,491 | 12,894 |
| Other resources expended | – | – | – | – | 51,474 |
| | <u>871,780</u> | <u>68,041</u> | <u>280,090</u> | <u>1,219,911</u> | <u>1,289,757</u> |

Net (outgoing)/incoming resources for the period include:

| | 2014 | 2013 |
|-------------------------|---------|---------|
| | £ | £ |
| Operating lease | 5,993 | 2,144 |
| Fees payable to auditor | | |
| - audit | 3,000 | 3,000 |
| - other services | 4,740 | 3,050 |
| Depreciation | 121,286 | 107,080 |

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

Notes to the Financial Statements

Year Ended 31 August 2014

7. Charitable Activities – Academy's educational operations

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Direct Costs – educational operations | | | | |
| Teaching and educational support staff costs | – | 734,764 | 734,764 | 714,949 |
| Depreciation | – | 121,286 | 121,286 | 107,080 |
| Educational supplies | – | 42,064 | 42,064 | 64,417 |
| Staff development | – | 6,378 | 6,378 | 11,309 |
| Other direct costs | – | 1,057 | 1,057 | – |
| | <u>–</u> | <u>905,549</u> | <u>905,549</u> | <u>897,755</u> |
| Support costs – educational operations | | | | |
| Support staff costs | – | 127,016 | 127,016 | 127,369 |
| Net interest on pension scheme liability | – | 10,000 | 10,000 | 10,000 |
| Maintenance of premises and equipment | – | 13,605 | 13,605 | 44,337 |
| Cleaning | – | 4,333 | 4,333 | 3,652 |
| Rent & rates | – | 37,364 | 37,364 | 33,763 |
| Insurance | – | 18,746 | 18,746 | 18,382 |
| Security and transport | – | 18 | 18 | – |
| Catering | – | 20,801 | 20,801 | 17,153 |
| Bank interest and charges | – | 96 | 96 | 178 |
| Other support costs | 12,717 | 56,175 | 68,892 | 72,800 |
| | <u>12,717</u> | <u>288,154</u> | <u>300,871</u> | <u>327,634</u> |
| Total direct and support costs | <u>12,717</u> | <u>1,193,703</u> | <u>1,206,420</u> | <u>1,225,389</u> |

8. Governance Costs

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Legal and professional fees | – | 1,437 | 1,437 | 3,465 |
| Auditor's remuneration | | | | |
| - Audit of financial statements | – | 3,000 | 3,000 | 3,000 |
| - Accounting services | – | 4,740 | 4,740 | 3,050 |
| Support Staff Costs | – | 4,314 | 4,314 | 1,742 |
| IT fees | – | – | – | 1,637 |
| | <u>–</u> | <u>13,491</u> | <u>13,491</u> | <u>12,894</u> |

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

Notes to the Financial Statements

Year Ended 31 August 2014

9. Staff

a. Staff Costs

Staff costs during the period were:

| | 2014 | 2013 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 703,243 | 663,120 |
| Social security costs | 44,748 | 43,305 |
| Pension costs | 107,841 | 109,172 |
| | <u>855,832</u> | <u>815,597</u> |
| Supply teacher costs | 15,948 | 36,721 |
| | <u>871,780</u> | <u>852,318</u> |

b. Staff Numbers

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

| | 2014 | 2013 |
|------------------------------|-----------|-----------|
| | No. | No. |
| Charitable Activities | | |
| Teachers | 16 | 16 |
| Administration and support | 7 | 6 |
| Management | 4 | 4 |
| | <u>27</u> | <u>26</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

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

| | 2014 | 2013 |
|-------------------|----------|----------|
| | No. | No. |
| £60,001 - £70,000 | <u>1</u> | <u>1</u> |

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this staff member amounted to £9,168 (2013: £8,856).

10. Related Party Transactions - Governors' Remuneration and Expenses

The Head Teacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as governors. Other governors did not receive any payments or expenses from the Academy Trust in respect of their role as governors. Governors' remuneration included the following:

I Spencer (headteacher and governor): £65,000 - £70,000 (2013: £60,000 - £65,000)

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

Notes to the Financial Statements

Year Ended 31 August 2014

10. Related Party Transactions - Governors' remuneration and expenses (continued)

The number of governors for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2013: 3).

During the year ended 31 August 2014 there were no reimbursements (2013: Nil) for any travel and subsistence expenses to any of the governors.

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

11. Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance 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 identifiable.

12. Tangible Fixed Assets

| | Long- leasehold Land and Buildings £ | School Equipment £ | Total £ |
|--------------------------|--|--------------------------|------------------|
| Cost | | | |
| At 1 September 2013 | 1,076,003 | 388,074 | 1,464,077 |
| Additions | - | 15,980 | 15,980 |
| At 31 August 2014 | <u>1,076,003</u> | <u>404,054</u> | <u>1,480,057</u> |
| Depreciation | | | |
| At 1 September 2013 | 43,272 | 125,911 | 169,183 |
| Charged in year | 43,272 | 78,014 | 121,286 |
| At 31 August 2014 | <u>86,544</u> | <u>203,925</u> | <u>290,469</u> |
| Net book value | | | |
| At 31 August 2014 | <u>989,459</u> | <u>200,129</u> | <u>1,189,588</u> |
| At 31 August 2013 | <u>1,032,731</u> | <u>262,163</u> | <u>1,294,894</u> |

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

Notes to the Financial Statements

Year Ended 31 August 2014

13. Debtors

| | 2014 | 2013 |
|---------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 140 | 70 |
| Other debtors | 5,760 | 14,779 |
| Prepayments | 13,131 | 16,763 |
| | <u>19,031</u> | <u>31,612</u> |

14. Creditors: Amounts falling due within one year

| | 2014 | 2013 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 5,019 | 219 |
| EFA creditor: abatement of GAG | 18,442 | 20,000 |
| Accruals and deferred income | 60,344 | 55,046 |
| | <u>83,805</u> | <u>75,265</u> |

Deferred income

| | 2014 |
|-------------------------------------|---------------|
| | £ |
| Deferred Income at 1 September 2013 | 3,249 |
| Resources deferred in the year | 26,552 |
| Amounts released from previous year | (3,249) |
| Deferred Income at 31 August 2014 | <u>26,552</u> |

At the balance sheet date the Academy Trust was holding £1,491 received in advance for school trips booked for future years and £25,061 in respect of the Universal Infant Free School Meals (UIFSM) grant received in July 2014 in respect of the academic year 2014/15.

Creditors: Amounts falling due after one year

| | 2014 | 2013 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| EFA creditor: abatement of GAG | 43,034 | 61,476 |
| | <u>43,034</u> | <u>61,476</u> |

The EFA creditor comprises 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

Year Ended 31 August 2014

15. Funds

| | Balance at 1 September 2013 £ | Incoming Resources £ | Resources Expended £ | Gains, Losses And Transfers £ | Balance at 31 August 2014 £ |
|-------------------------------------|--|----------------------------|----------------------------|-------------------------------------|--------------------------------------|
| Restricted general funds | | | | | |
| Voluntary Income | – | 20,007 | (20,007) | – | – |
| Other Income | – | 53,328 | (53,328) | – | – |
| General Annual Grant (GAG) | (104,913) | 1,023,800 | (1,002,573) | (8,819) | (92,505) |
| Pension reserve | (262,000) | – | (10,000) | (53,000) | (325,000) |
| | <u>(366,913)</u> | <u>1,097,135</u> | <u>(1,085,908)</u> | <u>(61,819)</u> | <u>(417,505)</u> |
| Restricted fixed asset funds | | | | | |
| Transfer from former school | 1,280,639 | – | (117,644) | – | 1,162,995 |
| Capital expenditure from GAG | <u>14,255</u> | <u>7,161</u> | <u>(3,642)</u> | <u>8,819</u> | <u>26,593</u> |
| | <u>1,294,894</u> | <u>7,161</u> | <u>(121,286)</u> | <u>8,819</u> | <u>1,189,588</u> |
| Total restricted funds | <u>927,981</u> | <u>1,104,296</u> | <u>(1,207,194)</u> | <u>(53,000)</u> | <u>772,083</u> |
| Unrestricted funds | | | | | |
| Unrestricted funds | <u>8,085</u> | <u>16,443</u> | <u>(12,717)</u> | <u>–</u> | <u>11,811</u> |
| Total funds | <u>936,066</u> | <u>1,120,739</u> | <u>(1,219,911)</u> | <u>(53,000)</u> | <u>783,894</u> |

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 2014.

The trust is carrying a net deficit of £80,694 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. 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.

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

Notes to the Financial Statements

Year Ended 31 August 2014

16. Analysis of Net Assets between funds

Fund balances at 31 August 2014 are represented by:

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--------------------------|----------------------------|-------------------------------------|--|---------------------|
| Tangible fixed assets | - | - | 1,189,588 | 1,189,588 |
| Current assets | 11,811 | 34,334 | - | 46,145 |
| Current liabilities | - | (83,805) | - | (83,805) |
| Long term liabilities | - | (43,034) | - | (43,034) |
| Pension scheme liability | - | (325,000) | - | (325,000) |
| Total net assets | 11,811 | (417,505) | 1,189,588 | 783,894 |

17. Financial commitments

Operating leases

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

| | 2014 £ | 2013 £ |
|--|--------------|--------------|
| <u>Other</u> | | |
| Expiring within one year | 813 | - |
| Expiring within two and five years inclusive | 7,424 | 3,973 |
| | <u>8,237</u> | <u>3,973</u> |

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

Notes to the Financial Statements

Year Ended 31 August 2014

| | | |
|--|-----------------------|------------------------|
| 18. Reconciliation of net (expenditure)/income to net cash (outflow)/inflow from operating activities | 2014 | 2013 |
| | £ | £ |
| Net (expenditure)/income | (99,172) | (198,531) |
| Depreciation (note 12) | 121,286 | 107,080 |
| Capital grants from DfE and other capital income | (7,161) | (7,116) |
| Deficits arising on conversion | - | 51,474 |
| Interest receivable (note 4) | (82) | (101) |
| FRS 17 pension cost less contributions payable (note 24) | - | 3,000 |
| FRS 17 pension finance costs (note 24) | 10,000 | 10,000 |
| Decrease/(increase) in debtors | 12,581 | (1,544) |
| Decrease in creditors | (9,902) | (14,810) |
| Net cash inflow/(outflow) from operating activities | <u>27,550</u> | <u>(50,548)</u> |
| 19. Returns on investments and servicing of finance | | |
| Interest received | <u>82</u> | <u>101</u> |
| Net cash inflow from returns on investment and servicing of finance | <u>82</u> | <u>101</u> |
| 20. Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (15,980) | (8,612) |
| Capital grants from DfE / EFA | <u>7,161</u> | <u>7,116</u> |
| Net cash outflow from capital expenditure and financial investment | <u>(8,819)</u> | <u>(1,496)</u> |
| 21. Analysis of changes in net funds | | |
| | At 1 | At 31 |
| | September | August |
| | 2013 | 2014 |
| | £ | £ |
| Cash in hand and at bank | <u>8,301</u> | <u>18,813</u> |
| | <u>8,301</u> | <u>27,114</u> |

22. Contingent Liabilities

The Academy Trust had no contingent liabilities at 31 August 2014.

23. Members' Liability

Each member of the Academy Trust 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.

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

Notes to the Financial Statements

Year Ended 31 August 2014

24. Pension and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lancashire County Council. Both are defined-benefit schemes.

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

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.

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

During the year, the Academy Trust made contributions of £55,158 (2013: £54,490) into the Teachers' Pension Scheme on behalf of the teaching staff.

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

Notes to the Financial Statements

Year Ended 31 August 2014

24. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department of Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

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

Notes to the Financial Statements

Year Ended 31 August 2014

24. Pension and similar obligations (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of normal pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £54,826 (2013: £54,021), of which employer's contributions totalled £41,570 (2013: £41,475) and employees' contributions totalled £13,256 (2013: £12,546). The agreed contribution rates for future years are 19.1% for employers and between 5.5% and 7.5% for employees depending upon income.

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's fund, within the LGPS is in deficit at the year-end of £325,000 (2013: £262,000). The deficit has mainly arisen due to the existing deficit on conversion of £254,000 however, the deficit has since been rising after converting to an academy. Governors acknowledge the current deficit and have put in place a repayment plan with the Lancashire County Pension Fund to help reduce the deficit in future years. This will be funded through the GAG.

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

Notes to the Financial Statements

Year Ended 31 August 2014

24. Pension and similar obligations (continued)

| Principal Actuarial Assumptions | At 31 August 2014 | At 31 August 2013 |
|--|----------------------------------|----------------------------------|
| Rate of increase in salaries | 3.70% | 4.40% |
| Rate of increase for pensions in payment / inflation | 2.20% | 2.40% |
| Discount rate for scheme liabilities | 4.00% | 4.60% |
| Inflation assumption (CPI) | 2.20% | 2.40% |
| Commutation of pensions to lump sums | 50% | 50% |

Sensitivity Analysis

| Disclosure item | Central | Sensitivity 1 +0.1% p.a discount rate | Sensitivity 2 +0.1% p.a inflation | Sensitivity 3 1 year increase in life expectancy |
|--|----------------|--|--|---|
| | £000s | £000s | £000s | £000s |
| Liabilities | 490 | 477 | 504 | 499 |
| Assets | (165) | (165) | (165) | (165) |
| Deficit/(surplus) | 325 | 312 | 339 | 334 |
| Projected Service Cost for next year | 42 | 40 | 44 | 43 |
| Projected Expected Return on Assets for next year | (9) | (9) | (9) | (9) |
| Projected Interest Cost for next year | 21 | 21 | 21 | 21 |

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

| | At 31 August 2014 | At 31 August 2013 |
|-----------------------------|----------------------------------|----------------------------------|
| <i>Retiring today</i> | | |
| Males | 22.8 | 22.1 |
| Females | 25.3 | 24.8 |
| <i>Retiring in 20 years</i> | | |
| Males | 25 | 23.9 |
| Females | 27.7 | 26.7 |

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

Notes to the Financial Statements

Year Ended 31 August 2014

24. Pension and similar obligations (continued)

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

| | Expected return at 31 August 2014 | Fair value at 31 August 2014 £000 | Expected return at 31 August 2013 | Fair value at 31 August 2013 £000 |
|-------------------------------------|---|--|---|--|
| Equities | 7.00% | 82 | 7.00% | 53 |
| Government Bonds | 2.90% | - | 3.40% | 7 |
| Other Bonds | 3.80% | 44 | 4.40% | 21 |
| Property | 6.20% | 16 | 5.70% | 9 |
| Cash/liquidity | 0.50% | 4 | 0.50% | 5 |
| Other | 7.00% | 19 | 7.00% | 9 |
| Total market value of assets | | 165 | | 104 |
| Present value of scheme liabilities | | | | |
| - Funded | | (490) | | (366) |
| Deficit in the scheme | | (325) | | (262) |

The expected rate of return on plan assets 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 2014 this yield was 2.9% 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 2014 we have taken the expected return as 3.8% p.a. which implies a reduction for the risk of default of 0.1% 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 2014 as 7% p.a., implying an equity risk premium on equities of 4.1% p.a. over and above the gilt yield of 2.9% p.a.

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 (2013: £4,000).

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

Notes to the Financial Statements

Year Ended 31 August 2014

24. Pension and similar obligations (continued)

| Amounts recognised in the statement of financial activities | 2014 | 2013 |
|--|--------------|--------------|
| | £000s | £000s |
| Current service cost (net of employee contributions) | <u>(41)</u> | <u>(44)</u> |
| Total operating charge | <u>(41)</u> | <u>(44)</u> |

Analysis of pension finance income/(costs)

| | | |
|--|-------------|-------------|
| Expected return on pension scheme assets | 7 | 4 |
| Interest on pension liabilities | <u>(17)</u> | <u>(14)</u> |
| Pension finance costs | <u>(10)</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 £78,000 loss (2013: £25,000 loss).

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

| | 2014 | 2013 |
|----------------------------------|-------------------|-------------------|
| | £000s | £000s |
| At 1 September | 366 | - |
| Deficit transferred on inception | - | 295 |
| Current service cost | 41 | 44 |
| Interest cost | 17 | 14 |
| Employee contributions | 14 | 13 |
| Actuarial loss | <u>52</u> | <u>-</u> |
| At 31 August | <u>490</u> | <u>366</u> |

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

| | 2014 | 2013 |
|---------------------------|-------------------|-------------------|
| | £000s | £000s |
| At 1 September | 104 | 41 |
| Expected return on assets | 7 | 4 |
| Employer contributions | 42 | 41 |
| Employee contributions | 13 | 13 |
| Actuarial (loss)/gain | <u>(1)</u> | <u>5</u> |
| At 31 August | <u>165</u> | <u>104</u> |

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

Notes to the Financial Statements

Year Ended 31 August 2014

24. Pension and similar obligations (continued)

The estimated value of employer contributions for the year ended 31 August 2015 is £39,000.

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

| | 2014 £000s | 2013 £000s | 2012 £000s |
|---|---------------|---------------|---------------|
| Present value of defined benefit obligations | (490) | (366) | (295) |
| Fair value of share of scheme assets | <u>165</u> | <u>104</u> | <u>41</u> |
| Deficit in the scheme | <u>(325)</u> | <u>(262)</u> | <u>(254)</u> |
| Experience adjustments on share of scheme assets | | | |
| Amount £000 | (1) | 5 | - |
| Experience adjustments on scheme liabilities: | | | |
| Amount £000 | (42) | - | - |

25. Related Party Transactions

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

No related party transactions took place in the period of account.