
CARLTON LE WILLOWS ACADEMY
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2014

Company Registration Number:
07539214 (England and Wales)

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CARLTON LE WILLOWS ACADEMY
(A Company Limited by Guarantee)

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Reference and administrative details

Governors

G R K Martin (Chair) *

Mrs P M Blandamer *

Mrs P Brown

W Brown #

Mrs D S Fanshawe

Mrs J A Fowler – resigned 23/07/2014

J Garibaldi – appointed 25/04/2014 *

P Karat *

A Macdonald #

N Oldham – appointed 24/01/2014

K Place * #

F Rodrigues

Miss K Ross – resigned 02/04/2013

M Robinson – appointed 25/04/2014

J Rudd * #

P Smith – resigned 13/03/2014

W Smith – appointed 12/06/2014

P Todd

J Thomas – appointed 13/12/2012

Mrs H Torr – resigned 07/01/2014

Dr D Vowles – reappointed as a governor 12/12/2013

*

J C Weaver *#

Ms J Welsh – resigned 17/01/2014

* - members of the finance and general purposes committee

members of the audit committee

Secretary

Mrs C Packham

Senior management team

J C Weaver (Head teacher)

G R Johnson (Deputy head teacher)

S P Graves (Deputy head teacher) – resigned 31/01/2014

Ms E Stansfield (Assistant head teacher)

R Fender (Assistant head teacher)

Mrs C Packham (Bursar)

CARLTON LE WILLOWS ACADEMY
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Registered office	Carlton le Willows Academy Wood Lane Gedling Nottingham NG4 4AA
Company registration number	07539214 (England and Wales)
Auditors	Duncan & Toplis Limited Chartered Accountants and Statutory Auditors 15 Chequergate Louth Lincolnshire LN11 0LJ
Bankers	Lloyds Bank Plc Old Market Square Branch Nottingham PO Box 1000 BX1 1LT
Solicitors	Stone King LLP 16 St John's Lane London EC1M 4BS

CARLTON LE WILLOWS ACADEMY (A Company Limited by Guarantee)

Governors' report

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

The trust operates an academy for pupils aged 11 to 18 serving a mixed catchment area on the eastern side of Nottingham. Our feeder schools are situated in Burton Joyce, Carlton, Colwick, Gedling, and Netherfield. The pupil capacity is 1442 and we had a roll of 1387 in the school census for spring 2014.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The governors of Carlton le Willows Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Carlton le Willows Academy.

Details of the governors who served during the year are included in the reference and administrative details on page 1.

Members' liability

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

Governors' indemnities

A full insurance indemnity is taken out with the Zurich insurance company. Each member has cover of £5,000,000. This is reviewed annually against potential risk.

Principal activities

The characteristics of the academy set down in section 1(6) of the academies act 2010, are that:

- a) The school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum);
- b) The school provides secondary education, its curriculum for the secondary education has an emphasis on technology (mathematics, science and design technology);
- c) The school provides education for pupils of different abilities;
- d) The school provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

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Other conditions and requirements in respect of the academy are that:

- a) The school will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community;
- b) There will be assessments of pupils' performance as they apply to maintained schools and the opportunity to study for external qualifications. The academy may not offer courses which lead to external qualifications, as defined in section 96 of the learning and skills act 2000, unless the secretary of state gives specific approval for such courses.
- c) The admissions policy and arrangements for the school will be in accordance with admissions law, and the DfE codes of practice, as they apply to maintained schools;
- d) Teachers' levels of pay and conditions of service for all employees will be the responsibility of the academy trust save that when entering into a contract of employment with any person the academy trust shall be bound by and act in accordance with such guidance as the secretary of state may publish in relation to the maximum salary that may be paid to employees of academies;
- e) There will be an emphasis on the needs of the individual pupils including pupils with special education needs (SEN), both those with and without statements of SEN;
- f) There will be no charge in respect of admission to the school and the school will only charge pupils where the law allows maintained schools to charge;
- g) The academy trust shall as soon as reasonably practicable establish an appropriate mechanism for the receipt and management of donations and shall use reasonable endeavours to procure donations through that mechanism for the purpose of the objects specified in the articles.

Method of recruitment and appointment or election of governors

The number of governors shall be not less than three but, (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to articles 48-49 and 64, the academy trust shall have the following governors:

- a. Up to 8 community governors, appointed under article 50.
- b. A maximum of 2 and up to 7 parent governors appointed under articles 53-58.
- c. Up to 3 staff governors, including up to 1 support staff, subject to articles 50A.
- d. The head teacher;
- e. Any additional governors, if appointed under article 62, 62A or 68A and
- f. Any further governors, if appointed under article 63 or article 68A

Except in relation to additional and further governors, and unless otherwise notified by the governor to the academy trust, each governor must be a member or must have agreed in writing, following an invitation by the other governors, to become a member and must become one without delay.

The academy trust may also have any co-opted governor appointed under article 59.

The first governors are those persons named in the statement delivered pursuant to sections 9 and 12 of the companies act 2006. The governors of the predecessor school (Carlton le Willows School and Technology College) at 31 March 2011 were the initial governors and their terms of office shall expire as and when they would have expired had they remained as members of the governing body of the predecessor school. Elected parent governors and elected staff governors of the predecessor school were deemed to have been elected for the purposes of the articles.

Future governors shall be appointed or elected, as the case may be, under the articles of association.

The total number of governors who are employees of the academy trust (including the head teacher) must not exceed one third of the total number of governors.

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Subject to article 57, the parent governor(s) are elected by parents of registered pupils at the academy. A parent governor must be a parent of a pupil at the academy at the time when he is elected.

The governing body shall make all necessary arrangements for, and determine all other matters relating to, an election of parent governors, including any question of whether a person is a parent of a registered pupil at the academy. Any election of parent governors which is contest shall be held by a secret ballot.

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

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

The number of parent governors required is made up by parent governors appointed by the governing body if the number of parents standing for election is less than the number of vacancies.

In appointing a parent governor the governing body shall appoint a person who is the parent of a registered pupil at the academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The staff governors shall be elected by staff members at the academy. A staff governor must be a staff member at the time when he is elected. If a staff governor ceases to be a staff member then he shall be deemed to have resigned and shall cease to be a governor.

The governors shall make all necessary arrangements for, and determine all other matters relating to, an election of the staff governors, including any question of whether a person is a staff member. Any election of staff governors which is contested shall be held by secret ballot.

Co-opted governors: The governors may appoint up to 3 co-opted governors. A 'co-opted governor' means a person who is appointed to be a governor by being co-opted by governors who have not themselves been so appointed. The governors may not co-opt an employee of the academy trust as a co-opted governor if the number of governors who are employed by the academy trust (including the head teacher) would thereby exceed one third of the total number of governors.

Appointment of additional governors: The secretary of state may give a warning notice to the governors where he is satisfied:-

- (i) That the standards of performance of pupils at the academy are unacceptably low, or
- (ii) That there has been a serious breakdown in the way the academy is managed or governed, or
- (iii) That the safety of pupils or staff of the academy is threatened (whether by a breakdown of discipline or otherwise).

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For the purposes of article 60 a 'warning notice' is a notice in writing by the secretary of state to the academy trust delivered to the office setting out:-

- a) The matters referred to in article 60;
- b) The action which he requires the governors to take in order to remedy those matters; and
- c) The period within which that action is to be taken by the governors ('the compliance period').

The secretary of state may appoint such additional governors as he thinks fit if the secretary of state has:

- a) Given the governors a warning notice in accordance with article 60; and
- b) The governors have failed to comply, or secure compliance, with the notice to the secretary of state's satisfaction within the compliance period.

The secretary of state may also appoint such additional governors where following an inspection by the chief inspector in accordance with the education act 2005 (an "inspection") the academy trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by Carlton le Willows School and Technology College shall be regarded as the grade received by the academy.

The secretary of state may also appoint such further governors as he thinks fit if a special measures termination event (as defined in the funding agreement) occurs in respect of the academy.

Within 5 days of the secretary of state appointing any additional or further governors in accordance with articles 62, 62A or 63, any governors appointed under article 50 and holding office immediately preceding the appointment of such governors under article 50 shall remain suspended until the secretary of state removes one or more of the additional or further governors.

The term of office for any governor is 4 years, save that this time limit shall not apply to the head teacher. subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of governors.

The training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and students.

All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally few new governors a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

Annual review: The governing body must review the delegation of functions annually. Each governing body will remain accountable for any decision taken, including those relating to functions delegated to a committee or individual.

Quoracy: decisions may only be made if a meeting is quorate. The quorum for full governing body meetings is one half (rounded up to a whole number) of the governors in post. The minimum quorum for a committee is three governors but the full governing body may set this at a higher level if it wishes.

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Reporting back to the full governing body: All decisions are taken on behalf of the full governing body. The governing body should receive reports/minutes from any individual or committee to whom a decision has been delegated and consider whether any further action is necessary.

Delegation of functions of the governing body: The governing body can delegate any of its statutory functions to a committee, a governor or to a head teacher, subject to prescribed restrictions.

Functions that can be delegate to a committee but cannot be delegate to an individual include those that relate to:

- The alteration, discontinuation or change of category of maintained schools
- The approval of the first formal budget plan of the financial year
- School discipline policies
- The exclusion of pupils (except in an emergency when the chair has the power to exercise these functions)
- Admissions.

The governing body cannot delegate any functions in relation to:

- The constitution of the governing body (unless otherwise provided by the constitution regulations)
- The appointment or removal of the chair and vice-chair
- The appointment of the clerk
- The suspension of governors
- The delegation of functions
- The establishment of committees.

The decision planner will help the governing body to decide the most effective way of conducting their business.

The governing body reviews the following annually:

- Establishment, terms of reference, constitution and membership of committees
- Delegation of functions to committees and individuals.

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Constitutional decisions

Function statement	Delegated to -
1. Changes to the instrument of government, including terms of office	members
2. To appoint or remove community, partnership, any appointed parent, any sponsor governors and associate members	members
3. To determine voting rights for associate members on committees	members
4. To suspend any governor	governing body
5. To elect or remove the chair	governing body
6. To elect or remove the vice-chair	governing body
7. To appoint link or designated governors, for example performance management, child protection and complaints	governing body
8. To decide on additional attendance at full governors' meetings	governing body
9. To decide the arrangements for full governing body meetings (legal minimum three per year)	governing body
10. To regulate the procedures of meetings	governing body
11. Establishment and membership of committees and their remits, including selection panels for head teacher and deputy head teacher recruitment	governing body
12. To appoint or remove a clerk to each committee. The clerk to a committee (but not the governing body) can be a governor, but not the head teacher.	governing body
13. To establish the governors' register of pecuniary and business interests and oversee its maintenance	governing body
14. To establish the financial limits of delegated authority to enter into commitments and to authorise payments.	F&GP
15. To approve a written description of financial systems and procedures in line with the Academies Financial Handbook (the Handbook)	F&GP
16. To recruit a new head teacher	governing body
17. To recruit a new deputy head teacher	governing body
18. Ratification of the appointment of a head teacher and deputy head teacher	governing body
19. To determine the arrangements for the appointment of all other staff	governing body
20. To appoint and dismiss the clerk to governors	governing body

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21. To participate in the school self review process including the review of the governing body effectiveness	strategic development
22. Setting the individual school range (ISR)	governing body
23. Decision to federate/collaborate or form joint committees with other schools	governing body
24. To consider requests from other school to federate/collaborate	strategic development
25. To leave a federation	governing body
26. To consider the alteration, discontinuation or change of category of maintained schools	governing body
27. To consider whether or not to exercise delegation of functions to individuals or committees	governing body
28. To decide to offer additional activities under extended schools provision or to cease provision	governing body
29. To institute a health & safety policy and arrangement for implementation	F & G P

Risk management

The governors have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy and its finances. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls.

Connected Organisations including Related Party Relationships

Owing to the nature of the academy's operations and the composition of the governing body being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the governing body 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. The academy operates a separate school fund which has charity status.

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Objectives and activities

Objects and aims

The academy trust's object is specifically restricted to the following 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, carry on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

The following approved improvement priorities have been acted upon

Priority 1: Achievement of pupils at the academy

- Objective A: The overarching priority for the academy is to maintain a school-wide focus on achievement for all

Priority 2: Quality of teaching in the academy.

- Objective A: Continue to improve teaching and develop learning, with a particular emphasis on increasing the proportion of good and outstanding lessons taught in all subjects.

Priority 3: Behaviour and safety of pupils at the academy.

- Objective A: Continue to improve the climate for learning across the academy.

Priority 4: Leadership and management of the academy

- Objective A: Establish a positive and supportive culture for professional and leadership development. Ensuring monitoring and evaluation lead to improvement.
- Objective B: Maintain and improve the school environment and resources.

Public benefit

The governors confirm that they have complied with the duty in section 4 of the charities act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "*Charities and Public Benefit*".

The academy trust's object is specifically restricted to the following to advance for the public benefit education in the region of Gedling and the surrounding area, 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 facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

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Strategic Report

Achievements and performance

Public examination results 2014

A LEVEL	Target	Achieved
Total points score	859.2 (taken from G4S)	825.4 (Taken from checking exercise)
Average score per entry	210.3 (taken from G4S)	211.1 (Taken from checking exercise)
% 3+ A Levels (or equiv)	n/a	89% (Taken from checking exercise)
% 2+ A Levels (or equiv)	n/a	99% (Taken from checking exercise)
YEAR 11	FFT A (50)	Achieved (Taken from spreadsheet, not checking exercise)
5+EM	70%	76%
5+A*C	90%	81%
5+A*G	98%	98%
Ave Total Points	511.1	461.5
Ave Capped Points (inc En & Ma)	360.1	343.9
5+EM B/G Difference	63% / 78%	65% / 88%
English A*C	76%	83%
Maths A*C	78%	89%
% 2 Sciences A*C (inc BTECs)	n/a	81%
% EBacc (Achieve A*C)	n/a	30%
English 3LoP	73%	76%
English 4LoP	36%	22%

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Maths 3LoP	68%	79%
Maths 4LoP	30%	34%

Going concern

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

Key performance indicators

- OFSTED overall effectiveness – good; achievement of pupils – good; quality of teaching – good; behaviour and safety of pupils – outstanding; leadership and management – good;
- staff attendance – 96.0% overall which is 1.0% above the academy target of 95.0%
- Pupil attendance – is 94.0% which is broadly in line with the national average.
- Customer service excellence
- Investor in people – Silver award

Financial review

The academy has a positive carry forward, which it will deploy to further improve the school environment and resources for the benefit of its pupils.

Financial and risk management objectives and policies

The academy has a financial procedures policy and scheme of financial delegation both of which have been adopted by the governors. Resources are used to maintain efficient staffing levels, ensure the continuing effectiveness of the organisation and good state of repair of the site and buildings.

Reserves policy

The academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the academy which is to be spent at the trustees' discretion in furtherance of any of the academy's objects but which is not yet spent, committed or designated.

The governors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams. The governors have determined that the appropriate level of free reserves should be equivalent to one months' expenditure, which is approximately £566,827. 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. The academy's current level of free reserves is £430,512.

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £1,008,037.

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Funds in deficit

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The Academy's share of the scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £1,113,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

Investment policy

The academy holds no investments other than its capital balance which is put in the highest interest return account available.

Principal risks and uncertainties

The academy has a risk register in place which has been adopted by the governors and is updated as necessary.

Outlined below is a description of the principal risk factors that may affect the academy. However, not all factors are within the academy's control and other factors besides those listed below may also adversely affect the academy.

1. Government funding

The academy has considerable reliance on continued government funding through the Education Funding Agency (EFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- Ensuring the academy is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the academy budget process.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the academy's balance sheet in line with the requirements of FRS 17.

The academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

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3. Pupil strategy

The academy seeks to maintain its popularity with current and prospective pupils by:

- ensuring the academy delivers high quality education and training;
- maintaining outstanding success rates and good inspection outcomes; and
- investing in the it's teaching staff and resources.

With ongoing commitment to quality, the academy now provides market-leading learning environments with state of the art technology and specialist resources.

This places the academy in an excellent position to attract new pupils.

Plans for future periods

The following approved improvement priorities will be acted upon during the coming year (2014-15) Priority 1: Raise achievement at KS4 and KS5, with a focus on:

- Progress in KS4 English
- Improvement in Y12 results
- Reduce the gap between groups of pupils

Priority 2: To increase the proportion of good and outstanding teaching, with a focus on:

- Ensuring teachers always provide demanding lesson activities
- Ensuring all students receive detailed and accurate feedback and regular assessment

Priority 3: To improve attendance and reduce persistent absence and exclusions, with a strong focus on vulnerable groups

Priority 4: To strengthen the ability and capacity of subject leaders to drive improvement with a focus on:

- Making further improvements in the overall quality of teaching within the academy
- Subject leaders taking effective action to address identified areas for improvement

Priority 5: To review our curriculum for all key stages

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Funds held as custodian trustee

The academy does not hold such funds.

Disclosure of information to auditors

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company'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

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 11 December 2014 and signed on its behalf by:

.....
G R K Martin
Chair



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Governance statement

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Carlton le Willows Academy has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body has delegated the day-to-day responsibility to the head teacher, 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 Carlton le Willows Academy 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 three times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
G R K Martin (Chair)	2	4
Mrs P M Blandamer	1	4
Mrs P Brown	3	4
W Brown	3	4
Mrs D S Fanshawe	3	4
Mrs J A Fowler	1	4
J Garibaldi	1	1
P Karat	3	4
A Macdonald	3	4
N Oldham	2	2
K Place	3	4
M Robinson	1	1
F Rodrigues	3	4
J Rudd	4	4
P Smith	3	3
W Smith	0	1
P Todd	4	4
Mrs H Torr	0	2
J Thomas	2	4
Dr D Vowles	1	2
J C Weaver (head teacher and accounting officer)	4	4
Ms J Welsh	0	1

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The finance and general purposes committee is a sub-committee of the governing body. Its purpose is to be responsible for;

- Constitutional decisions
- Policy development, planning and public accountability
- Financial matters
- Audit functions

During the year attendance at meetings in the year was as follows:

Trustee	meetings attended	out of a possible
Mrs P Blandamer (Chair)	4	5
P Karat	5	5
G R K Martin	3	5
K Place	3	5
J Rudd	5	5
Dr D Vowles	0	1
J C Weaver (head teacher and accounting officer)	5	5

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 has been in place in Carlton le Willows 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 have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 board of trustees.

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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 finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The 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 Vickie Lievesley as finance consultant. The finance consultant'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 finance consultant reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

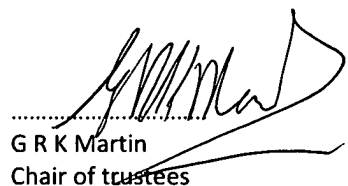
Review of effectiveness

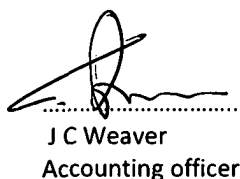
As accounting officer, the head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the finance consultant;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 11 December 2014 and signed on its behalf by:


.....
G R K Martin
Chair of trustees

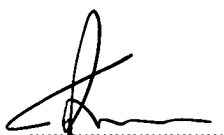

.....
J C Weaver
Accounting officer

CARLTON LE WILLOWS ACADEMY
(A Company Limited by Guarantee)

Statement on regularity, propriety and compliance

As accounting officer of Carlton le Willows Academy I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) 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 no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



J C Weaver
Accounting officer

Date 11 December 2014

CARLTON LE WILLOWS ACADEMY
(A Company Limited by Guarantee)

Statement of Governors' Responsibilities

The Governors (who act as trustees for charitable activities of Carlton le Willows 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 Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform to 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 Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the governing body on 11 December 2014 and signed on its behalf by:

.....
G R K Martin
Chair



CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF CARLTON LE WILLOWS
ACADEMY**

We have audited the financial statements of Carlton Le Willows Academy 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. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

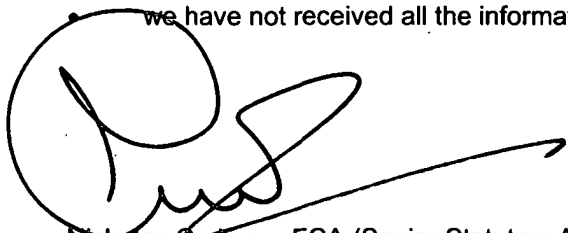
CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF CARLTON LE WILLOWS ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Nicholas Godmore FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ
11 December 2014

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CARLTON
LE WILLOWS ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 December 2014 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 Carlton Le Willows Academy during the year 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 Carlton Le Willows Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Carlton Le Willows Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Carlton Le Willows Academy and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF CARLTON LE WILLOWS ACADEMY'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Carlton Le Willows Academy's funding agreement with the Secretary of State for Education dated 28 March 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 year 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.

APPROACH

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

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

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

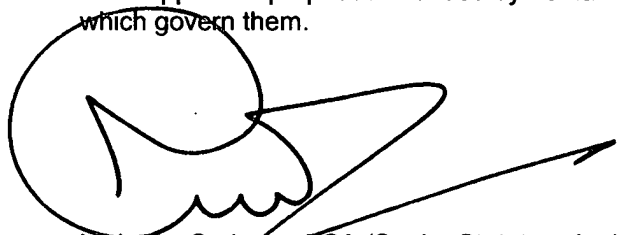
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CARLTON
LE WILLOWS ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Nicholas Cudmore FCA (Senior Statutory Auditor)

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date: 11th December 2014

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	3	35,852	-	-	35,852	7,804
Activities for generating funds	4	64,481	-	-	64,481	84,772
Investment income	5	3,197	-	-	3,197	4,517
Funding for the Academy's educational operations		-	7,227,286	26,714	7,254,000	7,238,668
TOTAL INCOMING RESOURCES		103,530	7,227,286	26,714	7,357,530	7,335,761
RESOURCES EXPENDED						
Funding for the Academy's educational operations		57,287	6,360,224	356,853	6,774,364	6,624,078
Governance costs	8	7	27,555	-	27,562	22,909
TOTAL RESOURCES EXPENDED	11	57,294	6,387,779	356,853	6,801,926	6,646,987
NET INCOMING RESOURCES BEFORE TRANSFERS		46,236	839,507	(330,139)	555,604	688,774

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	21	(35,205)	(467,329)	502,534	-	-
NET INCOME FOR THE YEAR		11,031	372,178	172,395	555,604	688,774
Actuarial gains and losses on defined benefit pension schemes		-	(154,000)	-	(154,000)	(18,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		11,031	218,178	172,395	401,604	670,774
<i>Total funds at 1 September 2013</i>		<i>419,481</i>	<i>(323,141)</i>	<i>10,983,755</i>	<i>11,080,095</i>	<i>10,409,321</i>
TOTAL FUNDS AT 31 AUGUST 2014		430,512	(104,963)	11,156,150	11,481,699	11,080,095

All activities relate to continuing operations.

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

The notes on pages 29 to 51 form part of these financial statements.

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07539214

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	2013 £
FIXED ASSETS				
Tangible assets	18		11,156,149	10,983,754
CURRENT ASSETS				
Debtors	19	435,530		314,563
Cash at bank and in hand		1,553,518		1,258,294
		<u>1,989,048</u>		<u>1,572,857</u>
CREDITORS: amounts falling due within one year	20	<u>(550,498)</u>		<u>(609,516)</u>
NET CURRENT ASSETS			<u>1,438,550</u>	<u>963,341</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,594,699</u>	<u>11,947,095</u>
Defined benefit pension scheme liability	28		<u>(1,113,000)</u>	<u>(867,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>11,481,699</u></u>	<u><u>11,080,095</u></u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	21	1,008,037		543,859
Restricted fixed asset funds	21	11,156,150		10,983,755
Restricted funds excluding pension liability		<u>12,164,187</u>		<u>11,527,614</u>
Pension reserve		<u>(1,113,000)</u>		<u>(867,000)</u>
Total restricted funds			<u>11,051,187</u>	<u>10,660,614</u>
Unrestricted funds	21		<u>430,512</u>	<u>419,481</u>
TOTAL FUNDS			<u><u>11,481,699</u></u>	<u><u>11,080,095</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 11 December 2014 and are signed on their behalf, by:

.....
G R K Martin
Chair of Trustees

The notes on pages 29 to 51 form part of these financial statements.

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	23	794,561	1,022,147
Returns on investments and servicing of finance	24	3,197	4,517
Capital expenditure and financial investment	24	(502,534)	(988,182)
INCREASE IN CASH IN THE YEAR		295,224	38,482

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £	2013 £
Increase in cash in the year	295,224	38,482
MOVEMENT IN NET FUNDS IN THE YEAR	295,224	38,482
Net funds at 1 September 2013	1,258,294	1,219,812
NET FUNDS AT 31 AUGUST 2014	1,553,518	1,258,294

The notes on pages 29 to 51 form part of these financial statements.

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

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

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

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

1.4 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

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

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

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

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Straight line over 50 years
Motor vehicles	-	Straight line over 8 years
Fixtures and fittings	-	Straight line over 8 years
Teaching equipment	-	Straight line over 8 years
Computer equipment	-	Straight line over 3 years

1.7 Operating leases

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

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2014.

Due to the relaxations from the EFA regarding the GAG carry forward limits, the Trustees of the Academy do not believe this balance will be repayable.

3. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	35,852	-	35,852	7,804

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Lettings income	5,079	-	5,079	6,884
Catering income	15,673	-	15,673	17,333
Other income	43,729	-	43,729	60,555
	64,481	-	64,481	84,772

5. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank account interest	3,197	-	3,197	4,517

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for the Academy's educational operations	-	7,254,000	7,254,000	7,238,668

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA grants				
General Annual Grant (GAG)	-	6,902,414	6,902,414	6,862,072
Pupil Premium	-	173,028	173,028	156,635
Other DfE/EFA Revenue grants	-	16,625	16,625	19,632
Devolved Formula Capital grant	-	26,714	26,714	66,826
Other Local Authority revenue grants	-	128,261	128,261	101,520
Other government revenue grants	-	6,958	6,958	31,983
	-	7,254,000	7,254,000	7,238,668

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for the Academy's educational operations	57,287	6,717,077	6,774,364	6,624,078

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Funding for the Academy's educational operations	5,154,275	356,853	1,263,236	6,774,364	6,624,078

CARLTON LE WILLOWS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	-	6,000	6,000	6,000
Auditors' non audit costs	-	4,450	4,450	500
Legal and professional fees	-	6,428	6,428	5,093
Personnel fees	7	10,677	10,684	11,316
	<u>7</u>	<u>27,555</u>	<u>27,562</u>	<u>22,909</u>

9. DIRECT COSTS

	Educational operations £	Total 2014 £	Total 2013 £
Educational supplies	129,850	129,850	99,530
Technology costs	100,593	100,593	126,094
Examination fees	132,296	132,296	164,491
Staff Development	19,563	19,563	28,585
Other costs	103,497	103,497	138,880
Operating leases - other	8,776	8,776	7,296
Wages and salaries	3,678,695	3,678,695	3,534,149
National insurance	281,020	281,020	268,415
Pension cost	520,999	520,999	470,401
Depreciation	356,853	356,853	310,051
	<u>5,332,142</u>	<u>5,332,142</u>	<u>5,147,892</u>

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10. SUPPORT COSTS

	Educational operations £	Total 2014 £	Total 2013 £
Other finance income less expenses	30,000	30,000	22,000
Technology costs	6,358	6,358	12,103
Pupil recruitment and support	10,301	10,301	25,015
Maintenance of premises and equipment	184,747	184,747	164,313
Cleaning	152,013	152,013	145,173
Rent and rates	38,277	38,277	60,247
Energy costs	118,933	118,933	134,853
Insurance	94,193	94,193	90,375
Transport	14,669	14,669	17,733
Telephone, postage and stationery	44,753	44,753	45,221
Catering	37,076	37,076	25,741
Other costs	37,341	37,341	91,696
Wages and salaries	534,189	534,189	530,879
National insurance	31,336	31,336	30,328
Pension cost	108,036	108,036	80,509
	<u>1,442,222</u>	<u>1,442,222</u>	<u>1,476,186</u>

11. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Funding for the Academy's educational operations	4,480,714	196,232	655,196	5,332,142	5,104,246
Support costs - Funding for the Academy's educational operations	673,561	554,883	213,778	1,442,222	1,519,832
Charitable activities	<u>5,154,275</u>	<u>751,115</u>	<u>868,974</u>	<u>6,774,364</u>	<u>6,624,078</u>
Governance	<u>-</u>	<u>-</u>	<u>27,562</u>	<u>27,562</u>	<u>22,909</u>
	<u>5,154,275</u>	<u>751,115</u>	<u>896,536</u>	<u>6,801,926</u>	<u>6,646,987</u>

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12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £	Total 2013 £
Funding for the Academy's educational operations	5,332,142	1,442,222	6,774,364	6,624,078

13. NET INCOMING RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the Academy	356,853	310,051
Auditors' remuneration	6,000	6,000
Operating lease rentals:		
- plant and machinery	8,776	7,296
Auditors' remuneration - non audit fees	4,450	500

14. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	4,151,794	3,940,762
Social security costs	312,356	298,744
Other pension costs (Note 28)	629,035	550,910
	5,093,185	4,790,416
Supply teacher costs	61,090	124,265
	5,154,275	4,914,681

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14. STAFF (continued)

b. Staff numbers

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

	2014 No.	2013 No.
Management	1	1
Teachers	86	83
Administration and support staff	57	61
	<u>144</u>	<u>145</u>

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	0	1
In the band £110,001 - £120,000	1	0
	<u>2</u>	<u>2</u>

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for the members of staff amounted to £26,450 (2013: £23,060).

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15. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	2014	2013
	£'000	£'000
JC Weaver, Head Teacher	115-120	95-100
W Brown, Staff Governor and Trustee	15-20	10-15
A Macdonald, Staff Governor and Trustee	40-45	40-45
K Ross, Staff Governor and Trustee		40-45
J Welsh, Staff Governor and Trustee	5-10	10-15
N Oldham, Staff Governor and Trustee	35-40	

During the year, no Trustees received any benefits in kind (2013 - £NIL).

During the year ended 31 August 2014, expenses totalling £42 (2013 - £NIL) were reimbursed to 1 Trustee (2013 - 0).

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,760 (2013 - £1,760). The cost of this insurance is included in the total insurance cost.

17. OTHER FINANCE INCOME (EXPENSE)

	2014	2013
	£	£
Expected return on pension scheme assets	74,000	50,000
Interest on pension scheme liabilities	(104,000)	(72,000)
	(30,000)	(22,000)

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18. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Teaching equipment £
Cost				
At 1 September 2013	10,931,221	-	265,983	125,294
Additions	366,820	26,230	44,222	-
At 31 August 2014	11,298,041	26,230	310,205	125,294
Depreciation				
At 1 September 2013	386,730	-	42,676	37,850
Charge for the year	196,232	3,279	38,775	15,662
At 31 August 2014	582,962	3,279	81,451	53,512
Net book value				
At 31 August 2014	10,715,079	22,951	228,754	71,782
At 31 August 2013	10,544,491	-	223,307	87,444
			Computer equipment £	Total £
Cost				
At 1 September 2013			216,738	11,539,236
Additions			91,976	529,248
At 31 August 2014			308,714	12,068,484
Depreciation				
At 1 September 2013			88,226	555,482
Charge for the year			102,905	356,853
At 31 August 2014			191,131	912,335
Net book value				
At 31 August 2014			117,583	11,156,149
At 31 August 2013			128,512	10,983,754

All of the tangible fixed assets are used for educational purposes.

Included in freehold property is land of £1,486,455 which is not depreciated.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

19. DEBTORS

	2014 £	2013 £
Trade debtors	5,317	22,735
Other debtors	59,090	5,953
VAT	191,137	182,564
Prepayments and accrued income	179,986	103,311
	<u>435,530</u>	<u>314,563</u>

**20. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	319,631	394,699
Other taxation and social security	91,368	88,816
Other creditors	82,224	72,605
Accruals and deferred income	57,275	53,396
	<u>550,498</u>	<u>609,516</u>

Deferred income as at 31 August 2014 relates to government grant funding for the year ended 31 August 2015.

	£
Deferred income	
Deferred income at 1 September 2013	47,396
Resources deferred during the year	49,543
Amounts released from previous years	<u>(47,396)</u>
Deferred income at 31 August 2014	<u>49,543</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Other income not for capital purposes	419,481	103,530	(57,294)	(35,205)	-	430,512
Restricted funds						
General Annual Grant (GAG)	543,859	6,902,414	(6,015,063)	(434,827)	-	996,383
Other DfE/EFA Grants	-	189,653	(145,497)	(32,502)	-	11,654
Other Government Grants	-	135,219	(135,219)	-	-	-
Pension reserve	(867,000)	-	(92,000)	-	(154,000)	(1,113,000)
	(323,141)	7,227,286	(6,387,779)	(467,329)	(154,000)	(104,963)
Restricted fixed asset funds						
DfE/EFA capital grants	421,717	26,714	(18,013)	-	-	430,418
Capital expenditure from GAG	689,714	-	(293,188)	434,827	-	831,353
Capital expenditure from other income	9,872,324	-	(45,652)	67,707	-	9,894,379
	10,983,755	26,714	(356,853)	502,534	-	11,156,150
Total restricted funds	10,660,614	7,254,000	(6,744,632)	35,205	(154,000)	11,051,187
Total of funds	11,080,095	7,357,530	(6,801,926)	-	(154,000)	11,481,699

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

21. STATEMENT OF FUNDS (continued)

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £92,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £154,000 actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	419,481	103,530	(57,294)	(35,205)	-	430,512
Restricted funds	(323,141)	7,227,286	(6,387,779)	(467,329)	(154,000)	(104,963)
Restricted fixed asset funds	10,983,755	26,714	(356,853)	502,534	-	11,156,150
	<u>11,080,095</u>	<u>7,357,530</u>	<u>(6,801,926)</u>	<u>-</u>	<u>(154,000)</u>	<u>11,481,699</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	11,156,149	11,156,149	10,983,755
Current assets	430,513	1,558,535	-	1,989,048	1,572,856
Creditors due within one year	-	(550,498)	-	(550,498)	(609,516)
Provisions for liabilities and charges	-	(1,113,000)	-	(1,113,000)	(867,000)
	<u>430,512</u>	<u>(104,963)</u>	<u>11,156,150</u>	<u>11,481,699</u>	<u>11,080,095</u>

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	2014 Total £	2013 £
Net incoming resources before revaluations	555,604	-	555,604	688,774
Returns on investments and servicing of finance	(3,197)	-	(3,197)	(4,517)
Depreciation of tangible fixed assets	356,853	-	356,853	310,051
Capital grants from DfE	(26,714)	-	(26,714)	(66,826)
Increase in debtors	(120,967)	-	(120,967)	(64,604)
(Decrease)/increase in creditors	(59,018)	-	(59,018)	118,269
FRS 17 adjustments	92,000	-	92,000	41,000
Net cash inflow from operations			<u>794,561</u>	<u>1,022,147</u>

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	<u>3,197</u>	<u>4,517</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

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

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(529,248)	(1,055,008)
Capital grants from DfE	26,714	66,826
Net cash outflow capital expenditure	<u>(502,534)</u>	<u>(988,182)</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	1,258,294	295,224	-	1,553,518
Net funds	<u>1,258,294</u>	<u>295,224</u>	<u>-</u>	<u>1,553,518</u>

26. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government grant was received, the Academy is required to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of state sums determined by reference to:

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- (b) the extent to which the expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

27. CAPITAL COMMITMENTS

At 31 August 2014 the Academy had no capital commitments.

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NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire 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 2010.

Contributions amounting to £75,708 were payable to the scheme at 31 August 2014 (2013 - 71,817) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

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NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (continued)

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 for 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.

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 have been phased in from April 2012 on a 40:80:100% basis.

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

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £172,000, of which employer's contributions totalled £129,000 and employees' contributions totalled £43,000. The agreed contribution rates for future years are 18.3% for employers.

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

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

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.50	1,004,000	6.20	878,000
Bonds	6.60	176,000	7.90	160,000
Property	5.50	157,000	5.20	148,000
Cash	2.90	58,000	0.50	25,000
Other	-	-	6.20	25,000
Total market value of assets		<u>1,395,000</u>		<u>1,236,000</u>
Present value of scheme liabilities		<u>(2,508,000)</u>		<u>(2,103,000)</u>
Deficit in the scheme		<u><u>(1,113,000)</u></u>		<u><u>(867,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(2,508,000)	(2,103,000)
Fair value of scheme assets	<u>1,395,000</u>	<u>1,236,000</u>
Net liability	<u><u>(1,113,000)</u></u>	<u><u>(867,000)</u></u>

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

	2014 £	2013 £
Current service cost	(191,000)	(124,000)
Interest on obligation	(104,000)	(72,000)
Expected return on scheme assets	<u>74,000</u>	<u>50,000</u>
Total	<u><u>(221,000)</u></u>	<u><u>(146,000)</u></u>
Actual return on scheme assets	<u><u>137,000</u></u>	<u><u>142,000</u></u>

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

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

	2014 £	2013 £
Opening defined benefit obligation	2,103,000	1,763,000
Current service cost	191,000	124,000
Interest cost	104,000	72,000
Contributions by employees	43,000	34,000
Actuarial Losses	73,000	110,000
Benefits paid	(6,000)	-
	<u>2,508,000</u>	<u>2,103,000</u>
Closing defined benefit obligation	<u>2,508,000</u>	<u>2,103,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	1,236,000	955,000
Expected return on assets	74,000	50,000
Actuarial gains and (losses)	(81,000)	92,000
Contributions by employer	129,000	105,000
Contributions by employees	43,000	34,000
Benefits paid	(6,000)	-
	<u>1,395,000</u>	<u>1,236,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £(154,000) (2013 - £(18,000)).

The Academy expects to contribute £126,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Equities	72.00 %	71.00 %
Bonds	13.00 %	13.00 %
Property	11.00 %	12.00 %
Cash	4.00 %	2.00 %
Other	- %	2.00 %

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

	2014	2013
Discount rate for scheme liabilities	3.90 %	4.70 %
Rate of increase in salaries	4.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.90 %
Inflation assumption (CPI)	2.60 %	2.90 %

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

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

	2014	2013
Retiring today		
Males	22.0	18.7
Females	25.1	22.8
Retiring in 20 years		
Males	24.1	20.7
Females	27.4	24.6

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

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(2,508,000)	(2,103,000)	(1,763,000)
Scheme assets	1,395,000	1,236,000	955,000
Deficit	(1,113,000)	(867,000)	(808,000)
Experience adjustments on scheme liabilities	(73,000)	(110,000)	(304,000)
Experience adjustments on scheme assets	(81,000)	92,000	12,000

Sensitivity Analysis

	Present Value of total obligations £000	Projected service cost £000
0.1% increase to discount rate	2,462	183
0.1% decrease to discount rate	2,555	189
1 year increase in age mortality rate assumptions	2,421	180
1 year decrease in age mortality rate assumptions	2,596	193

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**NOTES TO THE FINANCIAL STATEMENTS
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29. OPERATING LEASE COMMITMENTS

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

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	-	-	4,125	-
Between 2 and 5 years	-	-	5,768	9,329

30. RELATED PARTY TRANSACTIONS

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

During the year, various Trustee's of the Academy were also Trustee's of Carlton Le Willows Academy School Fund, registered charity number 1096436. During the year, the School Fund received income of £161,987 in relation to its objects of providing or assisting the provision of educational, recreational and other charitable facilities in augmentation of such facilities financed by the Local Education Authority. At 31 August 2014 the balance held by the School Fund was £98,685.

31. CONTROLLING PARTY

The Trustees have ultimate control of the Academy.