

**ELMLEA JUNIOR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**



**CONTENTS**

---

	Page
<b>Reference and administrative details of the academy, its trustees and advisers</b>	1 - 2
<b>Trustees' report</b>	3 - 11
<b>Governance statement</b>	12 - 14
<b>Statement on regularity, propriety and compliance</b>	15
<b>Trustees' responsibilities statement</b>	16
<b>Independent auditors' report</b>	17 - 18
<b>Independent reporting accountant's assurance report on regularity</b>	19 - 20
<b>Statement of financial activities</b>	21
<b>Balance sheet</b>	22
<b>Cash flow statement</b>	23
<b>Notes to the financial statements</b>	24 - 42

**ELMLEA JUNIOR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

<b>Trustees</b>	<p> A Killick (appointed 6 February 2014)<sup>3</sup>  A Boyle, Chair<sup>4</sup>  J Britton<sup>4</sup>  S Dyer<sup>2</sup>  C Galliers, Headteacher<sup>1,3,4</sup>  D Hale (resigned 22 September 2014)<sup>3</sup>  B Lucas<sup>2</sup>  S Rupprecht<sup>1,3,4</sup>  M Sinclair<sup>3</sup>  L Sheffield<sup>2</sup>  C A Smith, Chair (resigned 9 July 2014)<sup>1</sup>  K Soumilas (resigned 6 February 2014)<sup>3</sup>  K Thanvi (resigned 1 April 2014)<sup>2</sup>  G Tomlinson<sup>1</sup>  I Venn<sup>1,4</sup>  M Wilson, Responsible Officer<sup>3</sup>  A Short (appointed 6 February 2014)<sup>2</sup>  S Fenna<sup>2</sup>  I Dickie (appointed 6 November 2014)  C Haines (appointed 6 November 2014)  J Hollingbery (appointed 6 November 2014)  J Morgan (appointed 6 November 2014)  J Sloper (appointed 6 November 2014) </p> <p> <sup>1</sup> Finance Committee  <sup>2</sup> Curriculum Committee  <sup>3</sup> Premises Committee  <sup>4</sup> Staffing Committee </p>
<b>Company registered number</b>	07626956
<b>Principal and Registered office</b>	The Dell Westbury-on-Trym Bristol BS9 3UF
<b>Company secretary</b>	Harrison Clark Rickerbys Limited
<b>Accounting officer</b>	C Galliers
<b>Senior management team</b>	C Galliers, Headteacher L Sheffield, Deputy Head S Dyer, Assistant Head J Hoskins, Special Educational Needs Coordinator S Rupprecht, School Business Manager
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT

**ELMLEA JUNIOR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

**Administrative details (continued)**

<b>Bankers</b>	Lloyds Bank PLC 15 High Street Westbury on Trym Bristol BS9 3DA
----------------	-----------------------------------------------------------------------------

**ELMLEA JUNIOR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 7 to 11 in Bristol. It has a pupil capacity of 360 and had a roll of 349 at the school census on 2 October 2014.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy 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.

The Trustees of Elmlea Junior School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Elmlea Junior School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**Members' liability**

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

**Trustees' Indemnities**

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 £2,000,000 on any one claim.

**TRUSTEES**

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

On 1st July 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees usually has 17 members comprising the Headteacher, Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees), Parent Trustees (minimum of two) and up to eight other Trustees.

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

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

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

The Trustees' induction policy is within the Trustees' Handbook, which is updated annually.

A succession plan has been developed to facilitate a steady turnover and effective handover, whereby new trustees are recruited early and have an opportunity to observe meetings before their term of office begins.

The induction and training provided for new Trustees will depend upon their existing experience. New trustees are introduced to the school through an informal meeting and tour with the Head teacher and there is a chance to meet with staff and pupils. A mentoring system is in place and comprehensive training is available through the Governor Development Service. The Academy arranges bespoke training days to keep Trustees updated on relevant developments impacting on their roles and responsibilities and/or to consider school strategy.

**Organisational Structure**

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

There are four committees as follows;

- Finance Committee - meets five times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. The Finance Committee also incorporates the responsibilities of the audit committee.
- Curriculum and Standards Committee - meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and all pastoral issues.
- Premises, Health and Safety Committee – meet four times a year and acts as the safety committee for the rest of the school. The welfare of children and staff is uppermost in its priorities and so all matters relating to the school building, premises and health and safety are monitored, evaluated and reviewed by this committee.
- Staffing Committee – meets four times a year to ensure that the responsibilities of the governing body in relation to all staff matters are fulfilled.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Head teacher and Clerk to the Trustees.

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

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

The Board of Trustees has devolved responsibility for day to day management of the Academy to the Head teacher and Senior Leadership Team (SLT). The SLT comprises the Head teacher, Deputy Head teacher, Assistant Head teacher, Special Educational Needs Coordinator (SENCo) and the School Business Manager (SBM). The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Headteacher is the Accounting Officer.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

**Connected Organisations, including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of Elmlea Junior School.

Significant connected parties are:

- Elmlea Infant School formally paired with the Academy for school admissions.
- The Elmlea Junior School Parent Teacher Association, the Academy's related Parent Teacher Association.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

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

The vision for the academy is focussed upon the personal development and well-being of the school community as the solid foundation on which learning becomes more effective: The school's motto is 'Caring to learn, learning to care.'

The aims of the Academy during the year ended 31 August 2014 are summarised below:

- Continue to raise the standard of educational attainment and achievement of all pupils.
- Ensure that every child makes at least two levels of progress in English and Maths from the end of KS1 assessments to KS2 'Statutory Assessment Tests' (SATs).
- As an Academy with high attaining children on entry at KS1, focus upon maximising the number of pupils who achieve Level 5 (ie. above expected level for end of KS2).
- Prepare more capable students for the level 6 assessments, introduced in 2012.
- Continue to provide, review and develop a broad and balanced modern curriculum which anticipates and matches the needs for future society.
- Provide a wide range of extra curricular activities which complements the core curriculum.
- Develop pupils as effective independent and self- motivated learners.
- Develop the Academy site and resources so that it enables students to achieve their full potential.
- Ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- Continue to monitor, review and evaluate effectiveness of organisational structure and systems.
- Develop the Academy's capacity to manage change.
- Maintain close links with the community and other local schools.
- Provide value for money for the funds expended.
- Comply with all appropriate statutory and curriculum requirements, and
- Conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

**Objectives, Strategies and Activities**

Key priorities for the academic year ending 31 August 2014 were outlined in the School Development Plan. Improvement focus areas included:

- Achieve/exceed the ambitious targets for the 2014 cohort in English and Mathematics for their KS2 SAT assessments. (See Achievement and Performance Measures).
- Further focus on the progress of the academy's pupil premium cohort, to ensure a sustained closure of the gap between advantaged and disadvantaged pupils.
- Deliver sustained high quality teaching through:
  - Rigorous performance management embedding the arrangements from the new pay and performance policy to ensure consistently good and often outstanding teaching.
  - Commitment to professional development for all staff and ongoing work with local cluster schools to share and develop good practice.
- Review and improve school's business support functions to ensure systems, structure and capacity are aligned to need.

**Curriculum Focus Areas:**

- Literacy (Reading)
  - Each child to make at least four points of progress every year.
  - Consistent good quality teaching and progression of skills in reading across the school
  - Increase number of Level 6 readers through a particular focus on high ability children
- Literacy (Writing)
  - Continue the sustained rate of progress in each cohort
- Maths
  - Improve parental involvement and understanding of what their child is learning in maths.
  - Improve rate of progress of maths in lower school through introducing setting from Year 3
- ICT
  - Use ICT across the curriculum subjects to enhance pupils' learning
  - Use ICT to improve pupil progress across the core subject areas of reading, communication, maths and basic skills.
- PE
  - Use the Sports Premium effectively to further enhance Elmlea Junior's high quality sporting opportunities

**Public Benefit**

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

The Academy aims to advance for the public benefit, education in the surrounding area and so is an active member of local school networks, working collaboratively to share best practice across a broad range of teaching and learning as well as and school business themes.

The Academy provides 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 local community.

**STRATEGIC REPORT**

**Performance Measures**

The Academy is in its third year of operation. High standards of academic achievement are maintained and continue to improve even further. At the same time, opportunities to build the academy's capacity for further improvement are actively sought and developed.



**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

Funding

The Academy secured a capital grant to extend the first floor to provide improved fire escapes and at the same time creating an opportunity to create a new library and re-model some teaching spaces. This project which will be delivered during the following financial year, demonstrates a value for money investment that will bring about an enriched learning environment for the benefit of the school's wider community.

Attendance

Attendance is excellent, running at 97.8%.

Attainment and Progress

Elmlea Junior has again delivered outstanding SATS results, both in terms of pupils' attainment and progress. Attainment detailed below is considerably higher than the new national floor standard (2014).

<b>Level of Attainment in Reading, Writing and Maths</b>	<b>% of Pupils</b>
Level 4 or above	96%
Level 4B (i.e. a good Level 4) or above	90%
Level 5 or above	42%

A focus of the School Development plan this year was to raise standards in reading, so it is significant to report that 92% of children achieved Level 5 or above. 45% of children reached Level 5 in writing.

Also noteworthy are the excellent maths results with 69% of children achieving Level 5 and 21% reaching Level 6 – the expected level at age 14.

Equally in reading and maths all children made the expected rate of progress (2 levels) and 50% made accelerated progress (3 levels)

Pupil Premium funding was successfully deployed to support educational interventions such that in 2014 both disadvantaged and other pupils achieved expected progress and attained at least Level 4 in reading and maths.

Outstanding Sport

This year, Elmlea Junior School became the first school in Bristol to be awarded the Youth Sport Trust's Gold Quality Mark for outstanding commitment to using physical education and school sport to raise achievement levels across the school. New initiatives were introduced including outdoor sports week and sailing, which were funded by the Sport Premium. Furthermore, after an HMI (Her Majesty's Inspector) inspection of PE and Sport at the school, Elmlea was referenced in the new Ofsted Guidance Report "Good Practice for PE and Sport Premium."

OFSTED

The Academy was inspected by Ofsted in 2008 and was judged to be Outstanding. The 2011 Education Bill proposed that, from January 2012, schools that were previously judged to be outstanding will not be subject to routine inspection unless concerns are raised about their performance. To help decide whether there is a need to inspect an outstanding school, Her Majesty's Inspectors look at various sources of information, as listed below. This is called an 'interim assessment.' In carrying out the interim assessment, HMI considered the following:

- pupils' academic performance
- pupils' attendance
- any inspection visits carried out by Ofsted since the last routine inspection
- qualifying complaints about the school by parents or carers
- any other significant concerns brought to Ofsted's attention.

The results of the interim assessment of May 2011 for Elmlea Junior School concluded that performance had been sustained and that therefore they would not be inspecting the school unless they received further information that raised concerns. HMI continue to undertake annual assessments of the school's performance.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

**Key Performance Indicators**

The school's funding is based on pupil numbers and so this is an important measure and central to the school's capacity to deliver its development plans. Final pupil numbers for 2013-2014 were 337. This has risen to 349 in September 2014.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2014 this remains at 84%.

**Going Concern**

After making appropriate enquiries, the board of trustees 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 Going concern policy.

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2014, total expenditure of £1,439,853 was covered by recurrent grant funding from the DfE, together with other incoming resources of £1,585,926. The excess of income over expenditure for the year (excluding restricted fixed asset funds, transfers and actuarial gains and losses) was £64,554.

At 31 August 2014 the net book value of fixed assets was £2,899,110 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements. This has been underwritten by the government from 18 July 2013.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Trustees have adopted a Responsible Officer Policy and appointed a named trustee to receive reports from a programme of internal checks on the financial controls. During the year, the Trustees received four reports from the Responsible Officer which contained no matters of significance.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

**Reserves Policy**

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

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy Trust.

**Investment Policy**

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Head teacher and School Business Manager within strict guidelines approved by the Board of Trustees.

**PRINCIPAL RISKS AND UNCERTAINTIES**

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

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

**Financial** - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 91% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

**Reputational** - the continuing success of the Academy is dependant on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupils' progress and attainment are closely monitored and reviewed.

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

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

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

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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

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

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

**PLANS FOR FUTURE PERIODS**

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

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

Following the notification of a successful capital funding bid, the Academy will commence construction of its first floor extension, to improve health and safety and to provide a new school library in the coming year. The Board of Trustees plans to supplement the capital grant by employing some of the existing reserves towards this project. The project is due for completion in summer 2015.

Full details of our plans are given in our School Development Plan, which is available from the Clerk to the Trustees.

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

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

**TRUSTEES INDEMNITIES**

There were no third party indemnity provisions during the year or at the date of approval of the Trustees' report.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

**AUDITORS**

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on 4/12/14..... and signed on the board's behalf by:



**A Boyle**  
Chair of Trustees

## **GOVERNANCE STATEMENT**

---

### **SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the 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 Elmlea Junior School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### **GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Killick	4	4
A Boyle, Chair	6	6
J Britton	4	6
S Dyer	6	6
C Galliers, Headteacher	6	6
D Hale	2	6
B Lucas	3	6
S Rupprecht	6	6
M Sinclair	4	6
L Sheffield	5	6
C A Smith, Chair	5	6
K Soumilas	0	3
K Thanvi	1	4
G Tomlinson	5	6
I Venn	3	6
M Wilson, Responsible Officer	5	6
A Short	4	4
S Fenna	4	6

There have been changes in the membership of the Governing body as individual's tenures (usually four years) have come up, but there have been no changes to the composition of the Governing Body.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Galliers (Head & Accounting Officer)	5	6
S Rupprecht	6	6
I Venn	5	6
C A Smith, Chair	5	6
G Tomlinson	3	6

**GOVERNANCE STATEMENT (continued)**

---

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Elmlea Junior School for the year 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 board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 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.

**THE RISK AND CONTROL FRAMEWORK**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed:

- M Wilson, a Trustee, as Responsible Officer (RO);
- Bishop Fleming LLP, the external auditors, to perform additional checks.

The RO role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**GOVERNANCE STATEMENT (continued)**

---

**REVIEW OF EFFECTIVENESS**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 4/12/14 and signed on its behalf, by:



**A Boyle**  
Chair of Trustees



**C Galliers**  
Accounting Officer



**ELMLEA JUNIOR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Elmlea Junior School I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

*Clare Galliers*

**C Galliers**  
Accounting Officer

Date: 4/12/14

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

The Trustees (who act as governors of Elmlea Junior School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

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



**A Boyle  
Chair of Trustees**

Date: 4/12/14

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELMLEA JUNIOR SCHOOL**

We have audited the financial statements of Elmlea Junior School 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELMLEA JUNIOR SCHOOL

---

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.

*Bishop Fleming LLP*

Joseph Scaife FCA DChA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square

Bristol  
BS1 4NT  
Date:

12/12/14

**ELMLEA JUNIOR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ELMLEA  
JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Elmlea Junior School 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 Elmlea Junior School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Elmlea Junior School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Elmlea Junior School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ELMLEA JUNIOR SCHOOL'S ACCOUNTING OFFICER AND THE  
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Elmlea Junior School's funding agreement with the Secretary of State for Education dated 23 June 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.

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

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

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ELMLEA  
JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

---

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.



Joseph Scaife FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT  
Date:

12/12/14

**ELMLEA JUNIOR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES**

**(incorporating Income and Expenditure account and a Statement of Total 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 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	5,510	39,571	-	45,081	31,537
Activities for generating funds	3	17,039	-	-	17,039	10,615
Investment income	4	954	-	-	954	2,728
Incoming resources from charitable activities	5	76,675	1,272,323	173,854	1,522,852	1,371,535
<b>TOTAL INCOMING RESOURCES</b>		<b>100,178</b>	<b>1,311,894</b>	<b>173,854</b>	<b>1,585,926</b>	<b>1,416,415</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Costs of generating voluntary income	6	998	-	-	998	2,708
Charitable activities	10	85,002	1,249,508	92,335	1,426,845	1,376,801
Governance costs	7	-	12,010	-	12,010	14,589
<b>TOTAL RESOURCES EXPENDED</b>		<b>86,000</b>	<b>1,261,518</b>	<b>92,335</b>	<b>1,439,853</b>	<b>1,394,098</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>14,178</b>	<b>50,376</b>	<b>81,519</b>	<b>146,073</b>	<b>22,317</b>
Transfers between Funds	18	-	(21,817)	21,817	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>14,178</b>	<b>28,559</b>	<b>103,336</b>	<b>146,073</b>	<b>22,317</b>
Actuarial gains and losses on defined benefit pension schemes		-	(72,000)	-	(72,000)	11,000
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>14,178</b>	<b>(43,441)</b>	<b>103,336</b>	<b>74,073</b>	<b>33,317</b>
Total funds at 1 September		153,891	(73,993)	2,969,628	3,049,526	3,016,209
<b>TOTAL FUNDS AT 31 AUGUST</b>		<b>168,069</b>	<b>(117,434)</b>	<b>3,072,964</b>	<b>3,123,599</b>	<b>3,049,526</b>

All of the Academy Trust's activities derive from continuing operations.

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

The notes on pages 24 to 42 form part of these financial statements.

**ELMLEA JUNIOR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07626956**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	15		<b>2,899,110</b>		2,969,628
<b>CURRENT ASSETS</b>					
Debtors	16	<b>211,462</b>		32,335	
Cash at bank and in hand		<b>445,576</b>		404,106	
		<b>657,038</b>		436,441	
<b>CREDITORS:</b> amounts falling due within one year	17	<b>(114,549)</b>		(124,543)	
<b>NET CURRENT ASSETS</b>			<b>542,489</b>		311,898
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>3,441,599</b>		3,281,526
Defined benefit pension scheme liability	22		<b>(318,000)</b>		(232,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<b>3,123,599</b>		3,049,526
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
General funds	18	<b>200,566</b>		158,007	
Fixed asset funds	18	<b>3,072,964</b>		2,969,628	
Restricted funds excluding pension liability		<b>3,273,530</b>		3,127,635	
Pension reserve		<b>(318,000)</b>		(232,000)	
Total restricted funds			<b>2,955,530</b>		2,895,635
Unrestricted funds	18		<b>168,069</b>		153,891
<b>TOTAL FUNDS</b>			<b>3,123,599</b>		3,049,526

The financial statements were approved by the Trustees, and authorised for issue, on 4/12/14 and are signed on their behalf, by:

*Clare Galliers*

**C Galliers**  
**Accounting Officer**

*A Boyle*

**A Boyle**  
**Chair of Trustees**

The notes on pages 24 to 42 form part of these financial statements.



**ELMLEA JUNIOR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
Net cash flow from operating activities	20	<b>59,580</b>	109,702
Returns on investments and servicing of finance	21	<b>(305)</b>	1,752
Capital expenditure and financial investment	21	<b>(17,805)</b>	(58,625)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>41,470</b>	52,829

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

	<b>2014 £</b>	<b>2013 £</b>
Increase in cash in the year	<b>41,470</b>	52,829
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>41,470</b>	52,829
Net funds at 1 September 2013	<b>404,106</b>	351,277
<b>NET FUNDS AT 31 AUGUST 2014</b>	<b>445,576</b>	404,106

The notes on pages 24 to 42 form part of these financial statements.

**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. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by EFA and the Companies Act 2006.

**1.2 FUND ACCOUNTING**

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

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

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

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

**1.3 INCOMING RESOURCES**

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

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

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

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

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

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

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

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.4 RESOURCES EXPENDED**

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

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.

**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. The Trustees conclude that it is appropriate to prepare the accounts on the going concern basis for the period ended 31 August 2014.

**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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	Over the term of the lease
Long term leasehold property	-	2% Straight Line
Office equipment	-	10-15% Straight Line
Computer equipment	-	20% Straight Line

**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.

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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), 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 22, 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.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	5,510	39,571	45,081	31,537

**ELMLEA JUNIOR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Lettings	12,079	-	12,079	10,322
Fees received	-	-	-	293
Other	4,960	-	4,960	-
	<u>17,039</u>	<u>-</u>	<u>17,039</u>	<u>10,615</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest	954	-	954	2,728
	<u>954</u>	<u>-</u>	<u>954</u>	<u>2,728</u>

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>DfE/EFA grants</b>				
Capital Grants	-	173,854	173,854	7,713
General Annual Grant	-	1,182,991	1,182,991	1,176,278
Pupil Premium	-	29,705	29,705	23,969
	<u>-</u>	<u>1,386,550</u>	<u>1,386,550</u>	<u>1,207,960</u>
<b>Other grant funding</b>				
High Needs Funding	-	49,962	49,962	38,717
Sports Premium	-	9,665	9,665	-
	<u>-</u>	<u>59,627</u>	<u>59,627</u>	<u>38,717</u>
<b>Other educational income</b>				
Internal catering income	55,872	-	55,872	49,153
Educational trips income	-	-	-	34,139
Music income	9,303	-	9,303	10,966
Income for hosting trainee teachers	11,500	-	11,500	30,600
	<u>76,675</u>	<u>-</u>	<u>76,675</u>	<u>124,858</u>
	<u>76,675</u>	<u>1,446,177</u>	<u>1,522,852</u>	<u>1,371,535</u>

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

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
School fundraising costs	998	-	998	2,708

7. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other 2014 £	Total 2014 £	Total 2013 £
Costs of generating voluntary income	-	-	998	998	2,708
<b>COSTS OF GENERATING FUNDS</b>	-	-	998	998	2,708
Direct costs	840,453	-	268,240	1,108,693	998,692
Support costs	130,390	84,347	103,415	318,152	378,109
<b>CHARITABLE ACTIVITIES</b>	970,843	84,347	371,655	1,426,845	1,376,801
<b>GOVERNANCE</b>	1,160	-	10,850	12,010	14,589
	972,003	84,347	383,503	1,439,853	1,394,098

**ELMLEA JUNIOR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**8. DIRECT COSTS**

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
Pension finance costs	7,000	9,000
Educational supplies (including educational trips)	64,868	70,927
Examination fees	1,225	1,404
Staff development	9,258	7,129
Other costs	16,493	9,464
Supply teachers	28,417	11,061
Technology costs	21,279	16,128
Professional costs	27,365	14,639
Wages and salaries	697,254	711,754
National insurance	43,862	47,974
Pension cost	99,337	99,212
Depreciation	92,335	71,121
	<b>1,108,693</b>	<b>1,069,813</b>

**9. SUPPORT COSTS**

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
Other costs	7,373	3,037
Recruitment and other staff costs	1,314	1,669
Maintenance of premises and equipment	25,414	26,022
Cleaning	17,834	17,105
Rates	8,277	6,112
Heat and light	16,434	19,356
Insurance	19,710	25,986
Security and transport	1,636	5,789
Catering	58,666	53,981
Technology costs	2,017	1,850
Office overheads	16,387	20,764
Professional costs	11,441	12,659
Bank interest and charges	1,259	976
Wages and salaries	100,341	88,410
National insurance	4,731	4,173
Pension cost	25,318	19,099
	<b>318,152</b>	<b>306,988</b>

**ELMLEA JUNIOR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**10. GOVERNANCE COSTS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	-	4,900	4,900	4,500
Auditors' non audit costs	-	3,400	3,400	4,600
Responsible Officer Costs	-	1,600	1,600	1,600
Legal and Professional	-	-	-	2,070
Governor training costs	-	950	950	525
Clerk to trustees - wages and salaries	-	1,029	1,029	1,151
Clerk to trustees - pension costs	-	131	131	143
	-	12,010	12,010	14,589

**11. NET INCOMING RESOURCES**

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the charity	92,335	71,121
Auditors' remuneration	4,900	4,500
Auditors' remuneration - non-audit	3,400	4,600

**12. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	798,624	801,315
Social security costs	48,593	52,147
Other pension costs (Note 22)	124,786	118,454
	972,003	971,916
Agency teacher costs	28,417	11,061
	1,000,420	982,977



**ELMLEA JUNIOR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

---

**12. STAFF (continued)**

**b. Staff numbers**

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

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>14</b>	15
Learning support	<b>5</b>	4
Administration and other support	<b>5</b>	5
Management	<b>4</b>	4
	<hr/>	<hr/>
	<b>28</b>	28
	<hr/>	<hr/>

**c. Higher paid staff**

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

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	1
	<hr/>	<hr/>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2014, pension contributions for this member of staff amounted to £8,699 (2013: £8,642).

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

**13. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 4 Trustees (2013: 4) in respect of defined benefit pension schemes.

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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, including pension costs fell within the following bands; C Galliers, Headteacher £70,000- £75,000 (2013: £65,000- £70,000), L Sheffield, Staff Trustee £50,000- £55,000 (2013: £50,000- £55,000), S Dyer, Staff Trustee £40,000- £45,000 (2013: £40,000 - £45,000), S Rupprecht, Staff Trustee £30,000- £35,000 (2013: £25,000 - £30,000).

During the year, no Trustees received any reimbursement of expenses (2013: £14).

**14. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £610 (2013: £1,219). The cost of this insurance is included in the total insurance cost.

**15. TANGIBLE FIXED ASSETS**

	Long term leasehold property £	Office equipment £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2013	2,970,170	29,092	111,372	3,110,634
Additions	7,773	3,270	10,774	21,817
At 31 August 2014	2,977,943	32,362	122,146	3,132,451
<b>DEPRECIATION</b>				
At 1 September 2013	98,313	8,165	34,528	141,006
Charge for the year	62,508	6,586	23,241	92,335
At 31 August 2014	160,821	14,751	57,769	233,341
<b>NET BOOK VALUE</b>				
At 31 August 2014	2,817,122	17,611	64,377	2,899,110
At 31 August 2013	2,871,857	20,927	76,844	2,969,628

**ELMLEA JUNIOR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**16. DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>138</b>	235
Vat recoverable	<b>16,356</b>	8,462
Prepayments and accrued income	<b>194,968</b>	23,638
	<u><b>211,462</b></u>	<u><b>32,335</b></u>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>50,541</b>	52,906
Other taxation and social security	<b>14,642</b>	16,305
Other creditors	<b>18,807</b>	33,223
Accruals and deferred income	<b>30,559</b>	22,109
	<u><b>114,549</b></u>	<u><b>124,543</b></u>

**DEFERRED INCOME**

Resources deferred during the year	<b>5,810</b>
------------------------------------	--------------

At the balance sheet date the academy trust was holding funds received in relation to devolved formula capital, received from the EFA, for the 14/15 financial year.

**ELMLEA JUNIOR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**18. STATEMENT OF FUNDS**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
<b>UNRESTRICTED FUNDS</b>						
General funds	<b>153,891</b>	<b>100,178</b>	<b>(86,000)</b>	-	-	<b>168,069</b>
<b>RESTRICTED FUNDS</b>						
	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
General Annual Grant (GAG)	<b>158,007</b>	<b>1,182,991</b>	<b>(1,118,615)</b>	<b>(21,817)</b>	-	<b>200,566</b>
High needs funding	-	<b>49,962</b>	<b>(49,962)</b>	-	-	-
Donations	-	<b>39,571</b>	<b>(39,571)</b>	-	-	-
Pupil premium	-	<b>29,705</b>	<b>(29,705)</b>	-	-	-
Sports premium funding	-	<b>9,665</b>	<b>(9,665)</b>	-	-	-
Pension reserve	<b>(232,000)</b>	-	<b>(14,000)</b>	-	<b>(72,000)</b>	<b>(318,000)</b>
	<b>(73,993)</b>	<b>1,311,894</b>	<b>(1,261,518)</b>	<b>(21,817)</b>	<b>(72,000)</b>	<b>(117,434)</b>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
Fixed assets transferred on conversion	<b>2,869,283</b>	-	<b>(73,691)</b>	-	-	<b>2,795,592</b>
Fixed assets purchased from GAG and DFC	<b>91,652</b>	<b>1,936</b>	<b>(18,467)</b>	<b>21,817</b>	-	<b>96,938</b>
DfE/EFA Capital grants	-	<b>171,918</b>	-	-	-	<b>171,918</b>
Fixed Assets purchased from donations	<b>8,693</b>	-	<b>(177)</b>	-	-	<b>8,516</b>
	<b>2,969,628</b>	<b>173,854</b>	<b>(92,335)</b>	<b>21,817</b>	-	<b>3,072,964</b>
Total restricted funds	<b>2,895,635</b>	<b>1,485,748</b>	<b>(1,353,853)</b>	-	<b>(72,000)</b>	<b>2,955,530</b>
Total of funds	<b>3,049,526</b>	<b>1,585,926</b>	<b>(1,439,853)</b>	-	<b>(72,000)</b>	<b>3,123,599</b>

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

**RESTRICTED FUNDS**

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the school.

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

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

High Needs funding is received from the Local Authority to cater for children with statements of special educational needs.

Donations largely represent income received from the Junior School Parent Teacher Association to spend on specific educational resources and income contributed towards educational trips.

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged pupils.

Devolved formula capital grants represent funding from the EFA to cover the maintenance and purchase of the schools assets.

Sports premium funding relates to funds received from the DfE/EFA to assist the academy in developing PE and sport at the academy.

The pension fund represents the Local Government Pension Scheme deficit.

**FIXED ASSETS FUNDS**

Fixed assets transferred on conversion represent the building and equipment donated to the school from Bristol City Council on conversion to an academy.

Fixed assets purchase from General Annual Grant represents amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA Capital grants is £171,918 of Academies capital maintenance was awarded during the period in relation to a capital project to be undertaken in following financial period.

Fixed assets purchased from donations represent amounts donated to be spent on specific fixed asset additions.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

**SUMMARY OF FUNDS**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
General funds	153,891	100,178	(86,000)	-	-	168,069
Restricted funds	(73,993)	1,311,894	(1,261,518)	(21,817)	(72,000)	(117,434)
Restricted fixed asset funds	2,969,628	173,854	(92,335)	21,817	-	3,072,964
	<b>3,049,526</b>	<b>1,585,926</b>	<b>(1,439,853)</b>	<b>-</b>	<b>(72,000)</b>	<b>3,123,599</b>

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

19. 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	-	-	2,899,110	2,899,110	2,969,628
Current assets	168,069	315,115	173,854	657,038	436,441
Creditors due within one year	-	(114,549)	-	(114,549)	(124,543)
Pension scheme liability	-	(318,000)	-	(318,000)	(232,000)
	<u>168,069</u>	<u>(117,434)</u>	<u>3,072,964</u>	<u>3,123,599</u>	<u>3,049,526</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources	146,073	22,317
Returns on investments and servicing of finance	305	(1,752)
Depreciation of tangible fixed assets	92,335	71,121
Increase in debtors	(179,127)	(761)
Decrease in creditors	(14,006)	6,777
Defined benefit pension scheme adjustments	14,000	12,000
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u>59,580</u>	<u>109,702</u>

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

	2014 £	2013 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	954	2,728
Interest and charges paid	(1,259)	(976)
<b>NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<u>(305)</u>	<u>1,752</u>
	2014 £	2013 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	<u>(17,805)</u>	<u>(58,625)</u>

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

---

**22. 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 Bristol City Council. Both are defined benefit schemes.

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

Contributions amounting to £nil were payable to the scheme at 31 August 2014 (2013: £15,085) 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**

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

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

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

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

---

**22. PENSION COMMITMENTS (continued)**

2015.

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department 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 £44,000, of which employer's contributions totalled £32,000 and employees' contributions totalled £12,000. The agreed contribution rates for future years are 13.4% for employers and 5.5 - 6.8% for employees.

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



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

**22. PENSION COMMITMENTS (continued)**

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

	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £</b>	<b>Expected return at 31 August 2013 %</b>	<b>Fair value at 31 August 2013 £</b>
Equities	7.00	86,000	7.00	103,000
Government bonds	2.90	14,000	3.40	17,000
Property	6.20	12,000	5.70	11,000
Cash	0.50	5,000	0.50	3,000
Other bonds	3.80	17,000	4.40	14,000
Other	7.00	23,000	7.00	11,000
Total market value of assets		<b>157,000</b>		159,000
Present value of scheme liabilities		<b>(475,000)</b>		(391,000)
(Deficit)/surplus in the scheme		<b>(318,000)</b>		(232,000)

The amounts recognised in the Balance sheet are as follows:

	<b>2014 £</b>	<b>2013 £</b>
Present value of funded obligations	<b>(475,000)</b>	(391,000)
Fair value of scheme assets	<b>157,000</b>	159,000
Net liability	<b>(318,000)</b>	(232,000)

The amounts recognised in the Statement of financial activities are as follows:

	<b>2014 £</b>	<b>2013 £</b>
Current service cost	<b>(39,000)</b>	(31,000)
Interest on obligation	<b>(18,000)</b>	(16,000)
Expected return on scheme assets	<b>11,000</b>	7,000
Total	<b>(46,000)</b>	(40,000)

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

**22. PENSION COMMITMENTS (continued)**

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

	2014 £	2013 £
Opening defined benefit obligation	391,000	335,000
Current service cost	39,000	31,000
Interest cost	18,000	16,000
Contributions by scheme participants	12,000	10,000
Actuarial Losses	16,000	-
Benefits paid	(1,000)	(1,000)
	<u>475,000</u>	<u>391,000</u>
Closing defined benefit obligation	<u>475,000</u>	<u>391,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	159,000	104,000
Expected return on assets	11,000	7,000
Actuarial gains and (losses)	(56,000)	11,000
Contributions by employer	32,000	28,000
Contributions by employees	12,000	10,000
Benefits paid	(1,000)	(1,000)
	<u>157,000</u>	<u>159,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(61,000) (2013: £11,000).

The Academy expects to contribute £35,000 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	55.10 %	64.50 %
Government Bonds	8.60 %	10.70 %
Other Bonds	10.70 %	8.80 %
Other	14.70 %	7.10 %
Property	7.60 %	7.10 %
Cash	3.30 %	1.80 %

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

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.60 %
Expected return on scheme assets at 31 August	5.66 %	5.89 %
Rate of increase in salaries	3.70 %	3.90 %
Rate of increase for pensions in payment / inflation	2.20 %	2.40 %

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

**22. 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	<b>22.9 years</b>	22.9 years
Females	<b>25.9 years</b>	25.9 years
Retiring in 20 years		
Males	<b>25.2 years</b>	25.2 years
Females	<b>28.2 years</b>	28.2 years

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

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

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	<b>(475,000)</b>	(391,000)	(335,000)
Scheme assets	<b>157,000</b>	159,000	104,000
Deficit	<b>(318,000)</b>	(232,000)	(231,000)
Experience adjustments on scheme liabilities	<b>(16,000)</b>	-	(21,000)
Experience adjustments on scheme assets	<b>(56,000)</b>	11,000	(4,000)

**23. OPERATING LEASE COMMITMENTS**

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

	2014 £	2013 £
<b>EXPIRY DATE:</b>		
Within 1 year	<b>3,301</b>	-
Between 2 and 5 years	<b>366</b>	3,301

**24. 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 organisation, it is likely that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

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

**25. CONTROLLING PARTY**

The Academy is under joint control of the Trustees, and there is no ultimate controlling party.