

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 August 2015

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CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 13
Statement on regularity, propriety and compliance	14
Trustees' responsibilities statement	15
Independent auditors' report	16 - 17
Independent reporting accountant's assurance report on regularity	18 - 19
Statement of financial activities	20
Balance sheet	21
Cash flow statement	22
Notes to the financial statements	23 - 40

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Reference and administrative details of the academy, its members/ trustees and advisers
for the year ended 31 August 2015**

Members	Mr T Watson (resigned 31 August 2015) Mrs C Carey Mrs D Foreman
Trustees	Mrs D Foreman, Chairman ¹ Mrs A Nunns Mrs L Cranston ¹ Mrs N Lambert (resigned 15 November 2014) Mr T Watson (resigned 31 August 2015) Ms K Williams Mr K Kentell ¹ Mrs A Trill, Vice Chair ¹ Mrs J Richardson Mrs N Cox Mrs A Antoncini Mrs C Carey (resigned 31 August 2014) Mrs A Weallans (appointed 9 June 2015) Mrs N Couchman (appointed 1 September 2014) ¹ Mr R Tomlin (appointed 1 December 2014) ¹ Mr P Hurren (appointed 1 December 2014) Mrs C Gay (appointed 8 December 2014)
	¹ member of the Finance and General Purposes Committee
Company registered number	07659069
Principal and registered office	View Road Cliffe Woods Rochester Kent ME3 8UJ
Company secretary	Mrs K Norman
Senior leadership team	Mrs A Weallans, Principal (Interim) Mrs S Robins, Deputy Principal (Interim) Mrs H Millward, Assistant Principal Mr F Kotze, Assistant Principal
Independent auditors	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds Bank 142-146 High Street Chatham ME4 4DQ

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Reference and administrative details of the academy, its members/ trustees and advisers
for the year ended 31 August 2015**

Administrative details (continued)

Solicitors	Brachers LLP Somerfield House 59 London Road Maidstone Kent ME16 8JH
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CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Trustees' report
for the year ended 31 August 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Cliffe Woods Primary School (the academy) for the ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Cliffe Woods. It has a pupil capacity of 315 and had a roll of 334 in the school census on January 2015.

Structure, governance and management

a. 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 Trust.

The academy is constituted under a Memorandum of Association dated 6 June 2011.

The trustees of Cliffe Woods Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cliffe Woods Primary School.

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

b. 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.

c. Method of recruitment and appointment or election of Trustees

The processes for appointing or electing the various types of Trustee at Cliffe Woods Primary School are as follows:

1. Appointed Trustees – The Members of Cliffe Woods Primary School have the right to appoint up to ten Trustees. Such appointments are usually made following consultation by the Members with the Trustees of the School.

2. Parent Trustees – The Articles of Association require that there shall be a minimum of two Parent Trustees. Parents, including carers, of registered pupils at the School are eligible to stand as individuals for election as a Parent Trustee. They are elected by other parents at the School as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent Trustee elections.

If insufficient parents stand for election, the Members must appoint Parent Trustees to bring their numbers up to that required by the Articles of Association. Such appointed Parent Trustees would preferentially be parents or carers of registered pupils at the School. If, however, no such parents are willing to undertake the role then the Trustees can appoint any person who is the parent or carer of one or more school age children.

3. Staff Governors – A minimum of two Staff Trustees are elected by the School staff as individual representatives of the staff of the school. Both teaching and support staff paid to work at the school are eligible to be Staff Trustees.

The Principal shall be treated for all purposes as being an ex officio Trustee. Staff Trustees should not exceed

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2015

one third of the total number of Trustees.

Additionally, the second Staff Trustee place is reserved for a member of the School's support staff, but if no member of the support staff stands for election then a teacher can be elected to take that place.

Suitable procedures have been put in place for the conduct of Staff Trustee elections.

4) Local Authority Trustees – The Local Authority may appoint a Local Authority Trustee.

5) Co-opted Trustees – Up to three Co-opted Trustees can be appointed by the Trustee Body if they have experience and/or expertise of particular benefit to the school. Following an identification of specific needs suitable candidates are identified by the Trustee Body and approached accordingly.

A "Co-opted Trustee" means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed.

The Trustees may not appoint an employee of Cliffe Woods Primary School as a Co-opted Trustee if the number of Trustees who are employed by the School (including the Principal) would thereby exceed one third of the total number of Trustees.

d. Policies and procedures adopted for the induction and training of Trustees

Following their appointment/election, all new Trustees receive an introduction to their role from the Chairman and Principal, this introduction includes a tour of the School's site and the opportunity to meet other members of the Senior Leadership Team.

The Board of Trustees at Cliffe Woods Primary School is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Board of Trustees maintain a Service Level Agreement with the Medway Council's Governor Services Department. This Agreement allows for any or all of the Members of the Board of Trustees to attend any of the training courses provide by Medway Council.

All new Trustees are actively encouraged to take advantage of this Agreement so as to gain a better understanding of the role and responsibilities of being a School Trustee. Additionally Trustees with specific roles within the Board of Trustees are strongly encouraged to undertake specific training.

All Trustees are actively encouraged to support a specific area of teaching within the school and liaise with the relevant member of staff to ensure the subjects are being taught in line with national curriculum requirements.

e. Organisational structure

At Cliffe Woods Primary School the majority of the roles and responsibilities of the Board of Trustees have been delegated to a small number of committees. The full Board of Trustees has retained responsibility for certain aspects. Members of the Management Team, in addition to the Principal (Accounting Officer), attend trustee meetings as appropriate.

The Trustees are responsible for the strategic management of the School; deciding and setting key aspects of the School, including strategic direction, annual budgets, permanent staff appointments, policy changes etc. Operational management is the responsibility of the Principal and staff.

School policies are developed by senior members of the school's staff, to reflect both the strategic direction agreed by the Trustees and also statutory requirements. These policies are approved and adopted by the Board of Trustees, and implemented as procedures and systems by the Management Team and other designated members of staff.

We engage our auditors to address the board of Trustees annually.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2015

f. Connected organisations, including related party relationships

The Board of Trustees are currently investigating the possibility of joining a local Trust or the option of engaging in a relationship with other local Academies. Further discussions will carry through into the next academic/financial year.

The PTA have Charitable status in their own right and all donations received from the PTA are declared through the statutory accounts.

g. Risk management

The School has been undertaking a comprehensive assessment of possible risks to the future of the Academy (Risk Register).

The chief risks identified include:

Variations year on year in the numbers of pupils joining the School at Year R, with a possible negative effect upon funding levels.

Year on year reductions in the funding of students, totalling approximately 5% over the next three years.

Deficit in the Local Authority Pension Scheme, possible increase in employer's contribution rates.

The completed risk assessment was brought before the Finance Committee. Systems and procedures are being developed to manage and mitigate these risks.

h. Trustees' indemnities

Directors and Officers Liability cover is provided through the DFE's Risk Protection arrangement, policy number 136859, policy period 01 September 2015 to 31 August 2016 to the level of Unlimited other than libel and slander where limit is £500,000 for each and every loss and in the annual aggregate per academy whose Academy Trust is a Member with an excess of £1000 for each and every loss. Cover is provided for both the School and individuals.

i. Principle activities

The principle activity of Cliffe Woods Primary School is to provide a quality, free education for children aged 4 to 11, who live in the area local to the School.

Objectives and Activities

a. Objects and aims

The principle object and activity of the charitable company is the operation of Cliffe Woods Primary School to provide education for pupils between the ages of 4 and 11.

b. Objectives, strategies and activities

The Academy Trust was set up on 1 July 2011 to advance, for the public benefit, education in the Cliffe Woods area.

An initial objective was to ensure a smooth and seamless conversion of the School from local government control to Academy status. In doing this the Trustees determined to maintain the traditional ethos, values,

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2015

standards and achievements of the school, whilst continuing to work to fulfil the School's medium and longer term development plans.

c. Activities for achieving objectives

Cliffe Woods Primary School aims to encourage pupils to:

- Become confident, independent learners, well equipped for lifelong learning
- Derive enjoyment from their learning which should extend their intellectual capacity, develop their interest and stimulate their curiosity
- Embrace the many opportunities afforded by developments in information and communication technologies, whilst fully accepting the responsibilities that go with using them properly
- Engage in a broad program of experiences which enable them to appreciate their cultural inheritance and to understand more about themselves and the world in which they live
- Develop the capacities to make informed, rational and responsible decisions and to work in ways which enhance their self-respect and sensitivity to the needs of others, particularly those less advantaged than themselves
- Show respect for each other and all people working in the school, and to appreciate the diverse talents that contribute to our school community
- Play a full part in creating a caring, supportive school environment
- Develop a range of reasoned beliefs and values and a sympathy and respect for those held by others, which will prepare them to become considerate and responsible citizens
- Display self-discipline and proper regard for authority
- Foster good behavior and avoid all forms of bullying

d. Public benefit

The Trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Cliffe Woods Primary School is the maintenance and development of the high quality education provided by the School, to the young people of Cliffe Woods and the surrounding areas. This has been proved by the recent Ofsted Outstanding Rating achieved in March 2015.

In doing this Cliffe Woods Primary School not only offers a broadly based academic education but aims to educate the whole individual. A very wide range of extra curricular activities, educational trips and visits are offered and undertaken.

Strategic report

Achievements and performance

Cliffe Woods Primary School has high aspirations and has consistently been one of the top performing primary schools in the Local Authority. Most results exceed local and national averages. Key Stage Two Results for 2014/15

- 36% of Year 6 transferred to Grammar School.
- 2 levels progress achieved in Reading 87%, Writing 100% and Mathematics 91%

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2015

- 82% of children achieved at least Level 4 in both English and Mathematics
- Level 5+ scores, Reading 34%, Writing 48% and Maths 41%
- Level 6 results 14% Maths, 2% Writing, 2% Reading and 7% Grammar Punctuation and Spelling

a. Key financial performance indicators

Cliffe Woods Primary School recognises the responsibility that it has under the Companies Act 2006 s417 to disclose the principle risks and uncertainties it faces. The school acknowledges that its ability to continue to provide for pupils the continuing advancement of education it is reliant upon the agreed public funding levels, distributed to the school in the form of a General Aggregate Grant. The school acknowledges that its planned level of expenditure must not exceed the school's known income now and the future forecast income. In doing so it pays due regard to the high proportion of costs based on wages and any forces influencing rising wage costs. Cliffe Woods Primary School does have a defined pension deficit of £306,000.

b. Going Concern

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

Financial review

a. Financial and risk management objectives and policies

Most of the School's income is obtained from the DfE via the EFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

Capital Grants (CG) were awarded to the School by the DfE to provide fixed assets, plus the Devolved Formula Capital Grant (DFC). In accordance with the Charities SORP 2005, the CG and DFC received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds.

On conversion on 1 July 2011, all of the fixed assets of the former school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period covered by this report was covered by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income.

The combined General Restricted Fund and Unrestricted Fund show an operating surplus, before the actuarial losses on defined benefit pension schemes. This operating surplus is the result of detailed and tight budgeting and budget control procedures which were inherited from the former school, and which have been firmly embedded in the Academy Trust's daily financial management.

The Trustees are concerned with the large deficit that the Local Government Pension Fund is reporting.

The finance committee review expenditure at every meeting and have recently input a new three year budget planning programme with the Finance Manager.

b. Principal risks and uncertainties

The principle risks or uncertainties faced by Cliffe Woods Primary School are Financial, Health and Safety,

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2015

Unexpected Loss or Damage and Safeguarding.

- a. The financial risk of the misappropriation of funds (fraud) is managed through meeting accepted financial standards that include the work of an internal auditor within school and the external audit.
- b. The financial risk of failing to be a going concern is met through due diligence of the Accounting Officer (Principal) and the Finance Manager, together with the scrutiny of the Trustees finance committee
- c. The school follows all known health and safety laws to ensure full compliance with the law
- d. The school has comprehensive and extensive insurance cover
- e. The School follows all statutory guidance for the protection of children

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 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 special educational 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, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance Committee meetings. The Trustees also regularly review cash flow to ensure sufficient funds are held to cover all known and anticipated commitments.

c. Reserves policy

Under its Funding Agreement with the Secretary of State for Education Cliffe Woods Primary School is allowed to hold reserves at the year end of 2% of its General Annual Grant (GAG) for expenditure of a recurrent nature and a further 10% for expenditure of a capital nature, including maintenance and refurbishment of the School's buildings and facilities.

The Trustees review the academies reserves levels when budgeting and agreeing any expenditure in line with its Terms of Reference and are conscious that funding received for the financial year is spent for the benefit of the pupils currently on role.

d. Investments policy

Apart from the cash held for the operation of the School, Cliffe Woods Primary School has no realisable investments. With respect to its cash holdings the Board of Trustees have adopted a low risk strategy. In addition to the main current account the School maintains fixed term deposit accounts with variable interest rates depending on the length of deposit.

Plans for future periods

a. Future developments

Cliffe Woods Primary School will continue to work to maintain the performance of its students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extracurricular activities and in essential life skills so as to increase the number of opportunities open to its students when they move on to secondary education.

The Trustees recognise that through good financial management, they have been able to improve significantly the quality of the school building; we were able to secure funding through a Salix grant to replace our boilers and heating system. To enhance the teaching environment story boards, new laptops and a camcorder were purchased. Kitchen improvements were made at the beginning of the financial year to accommodate the KS1 free meals children.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2015

The main focus for the coming year is to strengthen the learning environment in the EYFS area by creating a stimulating outside environment. In key stage 2 the outside playground will be enhanced with fixed goal posts to support the PE curriculum.

We are going to increase the focus on the importance of reading, to raise our standards and to encourage children to enjoy reading outside school as well as within. This will be achieved through book week, a focus on specific authors, encouraging parents to participate with reading inside school and to enthuse children through a Readathon.

We will also be focusing on improving attainment in GPAS, writing and maths, by staff receiving training on outstanding lessons and observing outstanding practice.

To develop the profile of the school council and pupil voice further with a pupil newsletter/magazine, this will also involve the gifted and talented children

Funds held as Custodian Trustee on behalf of others

The Trust hold funds for the Strood and Hoo Consortium totalling £5,370 which are included in other creditors.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report, incorporating the Strategic report, was approved by order of the Board of Trustees, as the company directors, on 3 December 2015 and signed on the board's behalf by:



Mrs D Foreman
Chair of Trustees



Mrs A Weallans
Accounting Officer

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, 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 Cliffe Woods Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 5 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
Mrs D Foreman, Chairman	5	5
Mrs A Nunns	4	5
Mrs L Cranston	5	5
Mrs N Lambert	0	0
Mr T Watson	2	2
Ms K Williams	3	5
Mr K Kentell	1	4
Mrs A Trill, Vice Chair	5	5
Mrs J Richardson	3	5
Mrs N Cox	4	5
Mrs A Antoncini	5	5
Mrs C Carey	0	0
Mrs A Weallans	1	1
Mrs N Couchman	4	5
Mr R Tomlin	4	4
Mr P Hurren	3	4
Mrs C Gay	2	4

Key Changes:

At the end of his current term of office on 1st July 2015 Mr Ken Kentell decided not to stand for election following many years of service. Mrs Andrea Trill accepted the role of Vice-Chair following Mrs Nunns wish to stand down from this position. During this financial year the term of office also expired for Mrs Lambert who decided not to restand. In December 2014 Mr R Tomlin was appointed as a parent governor and Mr P Hurren was appointed as co-opted governor. Mrs C Gay became an appointed governor in December 2014. Mrs A Nunns was reappointed on 7 August 2015. From 20th April 2015 the Principal was on a personal leave of absence and his resignation was accepted on 31st August 2015.

Governance reviews:

When the newly appointed principal is in post the Trustees will carry out a review and implement a Trustees development plan/self-evaluation.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Governance Statement (continued)

The Finance and Buildings Committee is a sub-committee of the main Board of Trustees. Its purpose is to advise the Governing Body in relation to the management of the School's financial resources so that it can discharge its statutory duties.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs A Trill	3	3
Mrs L Cranston	2	3
Mr K Kentell	3	3
Mrs D Foreman	3	3
Mr T Watson	2	2
Mrs N Couchman	3	3
Mr R Tomlin	2	2

Review of Value for Money

As accounting officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Cliffe Woods Primary School constantly reviews its quality of teaching and curriculum provision to ensure that teaching and learning is based around the needs of the school community and builds on previous learning.
- The Academy employs External Auditors who act as the school's Internal Auditors (IA). The IA reviews key financial policies, systems and procedures, including the use of tenders, and presents reports on compliance to the academy's Finance Manager, Principal and Governing Body.
- Cliffe Woods Primary School requires all suppliers to compete on grounds of cost and quality of products. The Academy actively seeks out the best products at the best possible value.
- For any order of £3,000 or over, the Academy will obtain three quotes. Successful companies will be chosen on grounds of price, quality and previous track record.
- All orders are authorised by the budget holder and Principal to ensure that money is being utilised and allocated wisely.
- Cliffe Woods Primary School benchmarks financial performance against other academy trusts to demonstrate that the Academy provides good value for money.

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 Cliffe Woods Primary School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Governance Statement (continued)

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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

During Term 5 and 6 Cliffe Woods Primary School was supported by The Williamson Trust.

The existing Principal resigned on 31st August 2015.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Williams Giles Limited as internal auditor.

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

- testing of payroll and recruitment systems
- testing of purchasing
- testing of control account/ bank reconciliations
- testing of Income/Sales Invoices
- testing of Governance and Procedures
- testing of Fixed Assets/Inventory/Disposals & Write-offs
- testing of Voluntary/School Fund and School Trips monitoring
- testing of VAT
- testing of Budget Monitoring/Management Accounts
- testing of Contracts and Procurement
- testing of Pensions
- testing of Lettings and Lettings Policy

On a termly basis, the auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Three internal audit visits were carried out during the year, their findings were reviewed by the finance committee and any recommendations were implemented with immediate effect and subsequently confirmed by the auditors as being completed.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Governance Statement (continued)

Review of Effectiveness

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

- the work of the external auditors;
- the work of the internal auditors;
- 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 and Buildings Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 3 December 2015 and signed on its behalf, by:



Mrs D Foreman
Chair of Trustees



Mrs A Weallans
Accounting Officer

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Cliffe Woods Primary 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 (2014).

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 (2014).

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



Mrs A Weallans
Accounting Officer

Date: 3 December 2015

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Trustees' responsibilities statement
for the year ended 31 August 2015

The Trustees (who act as governors of Cliffe Woods Primary 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 3 December 2015 and signed on its behalf by:

 .

Mrs D Foreman
Chair of Trustees

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Independent auditors' report to the members of Cliffe Woods Primary School

We have audited the financial statements of Cliffe Woods Primary School for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the 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 2015 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 2014 to 2015 issued by the Education Funding Agency.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Independent auditors' report to the members of Cliffe Woods Primary School

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the academy has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Alyson Howard FCCA CF (Senior statutory auditor)

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date: **14 December 2015**

Williams Giles Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Cliffe Woods Primary School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 16 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cliffe Woods Primary School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cliffe Woods Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cliffe Woods Primary School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cliffe Woods Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Cliffe Woods Primary School's funding agreement with the Secretary of State for Education dated 1 July 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

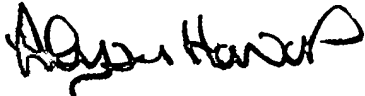
- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Cliffe Woods Primary School and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alyson Howard FCCA CF

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 14 December 2015

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Statement of financial activities
(incorporating income and expenditure account and statement of total recognised gains and losses)
for the year ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	9,001	-	-	9,001	3,935
Activities for generating funds	3	44,480	3,774	-	48,254	57,525
Investment income	4	6,316	-	-	6,316	2,000
Incoming resources from charitable activities	5	-	1,257,419	7,780	1,265,199	1,369,287
Total incoming resources		59,797	1,261,193	7,780	1,328,770	1,432,747
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	6	20,138	-	-	20,138	23,777
Charitable activities		-	1,277,386	83,111	1,360,497	1,259,363
Governance costs	7	-	15,845	-	15,845	10,783
Total resources expended	10	20,138	1,293,231	83,111	1,396,480	1,293,923
Net incoming / (outgoing) resources before transfers		39,659	(32,038)	(75,331)	(67,710)	138,824
Transfers between Funds	20	-	938	(938)	-	-
Net income / (expenditure) for the year		39,659	(31,100)	(76,269)	(67,710)	138,824
Actuarial gains and losses on defined benefit pension schemes		-	(12,000)	-	(12,000)	41,000
Net movement in funds for the year		39,659	(43,100)	(76,269)	(79,710)	179,824
Total funds at 1 September 2014		151,569	(198,473)	2,678,114	2,631,210	2,451,386
Total funds at 31 August 2015		191,228	(241,573)	2,601,845	2,551,500	2,631,210

All activities relate to continuing operations.

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

The notes on pages 23 to 40 form part of these financial statements.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)
Registered number: 07659069

Balance sheet
as at 31 August 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	17	2,601,845	2,678,114
Current assets			
Debtors	18	40,363	80,516
Cash at bank and in hand		315,870	350,264
		<u>356,233</u>	<u>430,780</u>
Creditors: amounts falling due within one year	19	<u>(100,578)</u>	<u>(207,684)</u>
Net current assets		<u>255,655</u>	<u>223,096</u>
Total assets less current liabilities		<u>2,857,500</u>	<u>2,901,210</u>
Defined benefit pension scheme liability	26	<u>(306,000)</u>	<u>(270,000)</u>
Net assets including pension scheme liability		<u><u>2,551,500</u></u>	<u><u>2,631,210</u></u>
Funds of the academy			
Restricted funds:			
Restricted funds	20	64,427	71,527
Restricted fixed asset funds	20	2,601,845	2,678,114
Restricted funds excluding pension liability		<u>2,666,272</u>	<u>2,749,641</u>
Pension reserve		<u>(306,000)</u>	<u>(270,000)</u>
Total restricted funds		<u>2,360,272</u>	<u>2,479,641</u>
Unrestricted funds	20	<u>191,228</u>	<u>151,569</u>
Total funds		<u><u>2,551,500</u></u>	<u><u>2,631,210</u></u>

The Trustees consider that the academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the academy to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees, and authorised for issue, on 3 December 2015 and are signed on their behalf, by:



Mrs D Foreman
Chair of Trustees



Mrs A Weallans
Accounting Officer

The notes on pages 23 to 40 form part of these financial statements.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Cash flow statement
for the year ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	22	(41,648)	174,940
Returns on investments and servicing of finance	23	6,316	2,000
Capital expenditure and financial investment	23	938	(59,897)
(Decrease)/Increase in cash in the year		(34,394)	117,043

Reconciliation of net cash flow to movement in net funds
for the year ended 31 August 2015

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(34,394)	117,043
Movement in net funds in the year	(34,394)	117,043
Net funds at 1 September 2014	350,264	233,221
Net funds at 31 August 2015	315,870	350,264

The notes on pages 23 to 40 form part of these financial statements.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2015

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 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 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.

1.4 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.

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

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.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2015

1. Accounting policies (continued)

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.

1.5 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.

1.6 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.

1.7 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.

The valuation for leasehold property is taken from the Drivers Jonas Deloitte desktop valuation completed for the EFA as at 31 August 2013. The basis of the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land had been included.

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:

L/Term Leasehold Property	-	2% SL
Fixtures and fittings	-	10% SL
Computer equipment	-	20% SL

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2015

1. Accounting policies (continued)

1.8 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 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.

1.10 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 26, 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.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

1. Accounting policies (continued)

1.11 Donated services and gifts in kind

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

2. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	9,001	-	9,001	3,935

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	19,588	-	19,588	18,894
School trips	20,374	-	20,374	28,647
GTP Income	-	660	660	2,360
Supply Insurance Claims	-	3,114	3,114	725
Fees	4,518	-	4,518	6,899
	<u>44,480</u>	<u>3,774</u>	<u>48,254</u>	<u>57,525</u>

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Short term deposits	6,316	-	6,316	2,000

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

5. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,155,154	1,155,154	1,173,098
Pupil premium	-	38,808	38,808	29,646
Other DfE/EFA grants	-	62,094	62,094	9,405
	-	1,256,056	1,256,056	1,212,149
Other government grants				
Other government grants	-	1,363	1,363	1,575
	-	1,363	1,363	1,575
Capital grants				
Devolved capital	-	7,780	7,780	7,622
Capital grant	-	-	-	147,941
	-	7,780	7,780	155,563
	-	1,265,199	1,265,199	1,369,287

6. Costs of generating voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
School trips expenses	20,138	-	20,138	23,777

7. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	10,430	10,430	9,725
Legal and professional	-	5,323	5,323	927
Governors' expenses	-	92	92	131
	-	15,845	15,845	10,783

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

8. Direct costs

	Educational operations £	Total 2015 £	Total 2014 £
Educational supplies	31,440	31,440	33,978
Staff development	2,726	2,726	4,106
Educational consultancy	1,108	1,108	-
Agency supply	17,150	17,150	9,663
Wages and salaries	633,053	633,053	592,574
National insurance	49,455	49,455	46,795
Pension cost	104,720	104,720	81,909
Depreciation	83,111	83,111	82,023
	<u>922,763</u>	<u>922,763</u>	<u>851,048</u>

9. Support costs

	Educational operations £	Total 2015 £	Total 2014 £
LGPS costs	4,000	4,000	11,000
Maintenance of premises and equipment	30,689	30,689	21,275
Cleaning	23,505	23,505	25,628
Rent & rates	7,781	7,781	7,422
Light & heat	19,035	19,035	16,470
Insurance	12,612	12,612	24,150
Security & transport	269	269	451
Catering	42,567	42,567	7,643
Bank charges	30	30	30
Computer costs	23,680	23,680	24,645
Printing, postage and stationery	4,196	4,196	4,129
Other support costs	9,302	9,302	7,553
Professional fees	14,715	14,715	20,701
Wages and salaries	203,512	203,512	191,285
National insurance	8,022	8,022	6,190
Pension cost	33,819	33,819	39,743
	<u>437,734</u>	<u>437,734</u>	<u>408,315</u>

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

10. Resources expended

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Depreciation	Other costs	2015	2014
	£	2015	2015	£	£
		£	£		
Costs of generating voluntary income	-	-	20,138	20,138	23,777
Costs of generating funds	-	-	20,138	20,138	23,777
Direct costs	804,378	83,111	35,274	922,763	851,048
Support costs	245,353	-	192,381	437,734	408,315
Charitable activities	1,049,731	83,111	227,655	1,360,497	1,259,363
Governance	-	-	15,845	15,845	10,783
	1,049,731	83,111	263,638	1,396,480	1,293,923

11. Net incoming / (outgoing) resources

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	83,111	82,023
Auditors' Remuneration	10,430	9,725

12. Auditors' remuneration

	2015	2014
	£	£
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	5,450	5,450
Fees payable to the academy's auditor and its associates in respect of:		
Internal audit services	1,500	1,500
All other services	3,480	2,775

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

13. Staff

a. Staff costs

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	836,565	783,859
Social security costs	57,477	52,985
Other pension costs (Note 26)	138,539	121,652
	<hr/> 1,032,581	<hr/> 958,496
Supply teacher costs	17,150	9,663
	<hr/> 1,049,731 <hr/>	<hr/> 968,159 <hr/>

b. Staff numbers

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

	2015	2014
	No.	No.
Teachers	16	16
Support	14	14
Management	2	2
	<hr/> 32 <hr/>	<hr/> 32 <hr/>

c. Higher paid staff

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

	2015	2014
	No.	No.
In the band £70,001 - £80,000	1	1
	<hr/> 1 <hr/>	<hr/> 1 <hr/>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions amounted to £10,723 (2014 - £10,111).

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

14. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2015 £	2014 £
T Watson - Remuneration	75,000-80,000	70,000-75,000
- Employers' pension contribution	10,000-15,000	10,000-15,000
L Cranston - Remuneration	5,000-10,000	5,000-10,000
- Employers' pension contribution	0-5,000	0-5,000
N Wibberley -Remuneration		20,000-25,000
- Employers' pension contribution		0-5,000
A Antoncini -Remuneration	25,000-30,000	5,000-10,000
- Employers' pension contribution	0-5,000	0-5,000
A Weallans -Remuneration	10,000-15,000	
- Employers' pension contribution	5,000-10,000	

15. 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2015 is included in the total insurance cost.

16. Other finance income

	2015 £	2014 £
Expected return on pension scheme assets	19,000	16,000
Interest on pension scheme liabilities	(23,000)	(27,000)
	<u>(4,000)</u>	<u>(11,000)</u>

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

17. Tangible fixed assets

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2014	2,676,730	106,702	89,089	2,872,521
Additions	-	2,321	4,521	6,842
Disposals	-	-	(321)	(321)
At 31 August 2015	<u>2,676,730</u>	<u>109,023</u>	<u>93,289</u>	<u>2,879,042</u>
Depreciation				
At 1 September 2014	125,511	26,561	42,335	194,407
Charge for the year	53,535	10,902	18,674	83,111
On disposals	-	-	(321)	(321)
At 31 August 2015	<u>179,046</u>	<u>37,463</u>	<u>60,688</u>	<u>277,197</u>
Net book value				
At 31 August 2015	<u>2,497,684</u>	<u>71,560</u>	<u>32,601</u>	<u>2,601,845</u>
At 31 August 2014	<u>2,551,219</u>	<u>80,141</u>	<u>46,754</u>	<u>2,678,114</u>

18. Debtors

	2015 £	2014 £
Trade debtors	1,427	1,177
Other debtors	6,962	8,587
Prepayments and accrued income	31,974	70,752
	<u>40,363</u>	<u>80,516</u>

**19. Creditors:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	21,907	-
Other taxation and social security	19,965	16,199
Other creditors	5,370	-
Accruals and deferred income	53,336	191,485
	<u>100,578</u>	<u>207,684</u>

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

19. Creditors:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2014	31,715
Resources deferred during the year	31,258
Amounts released from previous years	(31,715)
	<hr/>
Deferred income at 31 August 2015	31,258
	<hr/>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals.

20. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	151,569	59,797	(20,138)	-	-	191,228
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds						
General Annual Grant (GAG)	71,527	1,155,154	(1,163,192)	938	-	64,427
Pupil premium	-	38,808	(38,808)	-	-	-
Other DfE/EFA grants	-	62,094	(62,094)	-	-	-
Other government grants	-	1,363	(1,363)	-	-	-
Other generated fund	-	3,774	(3,774)	-	-	-
Pension reserve	(270,000)	-	(24,000)	-	(12,000)	(306,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(198,473)	1,261,193	(1,293,231)	938	(12,000)	(241,573)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds						
Assets held for depreciation	2,678,114	-	(83,111)	6,842	-	2,601,845
Devolved Capital Grants	-	7,780	-	(7,780)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,678,114	7,780	(83,111)	(938)	-	2,601,845
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	2,479,641	1,268,973	(1,376,342)	-	(12,000)	2,360,272
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	2,631,210	1,328,770	(1,396,480)	-	(12,000)	2,551,500
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

20. Statement of funds (continued)

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's 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 2015. discloses whether the limit was exceeded.

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds	151,569	59,797	(20,138)	-	-	191,228
Restricted funds	(198,473)	1,261,193	(1,293,231)	938	(12,000)	(241,573)
Restricted fixed asset funds	2,678,114	7,780	(83,111)	(938)	-	2,601,845
	<u>2,631,210</u>	<u>1,328,770</u>	<u>(1,396,480)</u>	<u>-</u>	<u>(12,000)</u>	<u>2,551,500</u>

21. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	2,601,845	2,601,845	2,678,114
Current assets	191,228	165,005	-	356,233	430,780
Creditors due within one year	-	(100,578)	-	(100,578)	(207,684)
Provisions for liabilities and charges	-	(306,000)	-	(306,000)	(270,000)
	<u>191,228</u>	<u>(241,573)</u>	<u>2,601,845</u>	<u>2,551,500</u>	<u>2,631,210</u>

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

22. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	(67,710)	138,824
Returns on investments and servicing of finance	(6,316)	(2,000)
Depreciation of tangible fixed assets	83,111	82,023
Increase in stocks	(7,780)	(155,563)
Decrease/(increase) in debtors	40,153	(41,546)
(Decrease)/increase in creditors	(107,106)	133,202
FRS 17 adjustments	24,000	20,000
Net cash (outflow)/inflow from operations	(41,648)	174,940

23. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	6,316	2,000
	6,316	2,000
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(6,842)	(215,460)
Capital grants from DfE	7,780	155,563
Net cash inflow/(outflow) capital expenditure	938	(59,897)

24. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	31 August 2015 £
Cash at bank and in hand:	350,264	(34,394)	315,870
Net funds	350,264	(34,394)	315,870

25. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2015

26. 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 Kent 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 2012 and of the LGPS 31 August 2015.

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

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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £86,539 (2014: £84,652).

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

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

26. Pension commitments (continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy 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 2015 was £41,000, of which employer's contributions totalled £32,000 and employees' contributions totalled £9,000. The agreed contribution rates for future years are 20.1% for employers and variable% for employees.

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

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.00	229,000	6.70	201,000
Gilts	6.00	3,000	3.00	4,000
Other Bonds	6.00	37,000	3.60	35,000
Property	6.00	45,000	5.90	30,000
Cash	6.00	9,000	2.90	12,000
Target Return Portfolio	6.00	15,000	5.90	13,000
Total market value of assets		338,000		295,000
Present value of scheme liabilities		(644,000)		(565,000)
Deficit in the scheme		(306,000)		(270,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(644,000)	(565,000)
Fair value of scheme assets	338,000	295,000
Net liability	(306,000)	(270,000)

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

26. Pension commitments (continued)

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

	2015 £	2014 £
Current service cost	(52,000)	(37,000)
Interest on obligation	(23,000)	(27,000)
Expected return on scheme assets	19,000	16,000
	<hr/>	<hr/>
Total	(56,000)	(48,000)
	<hr/>	<hr/>
Actual return on scheme assets	7,000	30,000
	<hr/>	<hr/>

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

	2015 £	2014 £
Opening defined benefit obligation	565,000	570,000
Current service cost	52,000	37,000
Interest cost	23,000	27,000
Contributions by scheme participants	9,000	7,000
Actuarial Gains	-	(41,000)
Estimated benefits paid net of transfers in	(5,000)	(35,000)
	<hr/>	<hr/>
Closing defined benefit obligation	644,000	565,000
	<hr/>	<hr/>

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

	2015 £	2014 £
Opening fair value of scheme assets	295,000	279,000
Expected return on assets	19,000	16,000
Actuarial gains and (losses)	(12,000)	-
Contributions by employer	32,000	28,000
Contributions by employees	9,000	7,000
Estimated benefits paid net of transfers in	(5,000)	(35,000)
	<hr/>	<hr/>
	338,000	295,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(33,000) (2014 - £(21,000)).

The academy expects to contribute £32,000 to its Defined benefit pension scheme in 2016.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

26. Pension commitments (continued)

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

	2015	2014
Equities	68.00 %	69.00 %
Gilt	1.00 %	1.00 %
Other bonds	11.00 %	12.00 %
Property	13.00 %	10.00 %
Cash	3.00 %	4.00 %
Target return portfolio	4.00 %	4.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.90 %	3.90 %
Rate of increase in salaries	4.40 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.60 %
RPI increases	3.50 %	6.00 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(644,000)	(565,000)	(570,000)	(483,000)
Scheme assets	338,000	295,000	279,000	210,000
Deficit	(306,000)	(270,000)	(291,000)	(273,000)
Experience adjustments on scheme liabilities	-	41,000	(28,000)	(413,000)
Experience adjustments on scheme assets	(12,000)	-	23,000	150,000

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

27. Operating lease commitments

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

	2015 £	2014 £
Expiry date:		
Within 1 year	-	2,424
Between 2 and 5 years	5,107	5,107
	<u>5,107</u>	<u>5,107</u>

28. 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 trustee 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 the trust purchased furniture from Inchoak Redman Limited, a company connected to K Williams, totalling £2,375 (2014 - £10,348). There was no amount outstanding at 31 August 2015 (2014 - £Nil).

In entering into the above transactions the trust has complied with the requirements of the EFA's Academies Financial Handbook.