**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**
**(A company limited by guarantee)**

# ANNUAL REPORT AND FINANCIAL STATEMENTS

## YEAR ENDED 31 AUGUST 2014

SAINT MARY'S
CHURCH OF ENGLAND
JUNIOR SCHOOL

An Academy School

***Company registration number:***
***07716911 (England and Wales)***

FRIDAY
*A3N3LGGY*
A16 19/12/2014 #53
COMPANIES HOUSE

**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**

**CONTENTS**


| | Page |
|---|---|
| Reference and administrative information details | 1 |
| Report of the Governors (including Strategic Report) | 2 – 7 |
| Governance statement | 8 – 10 |
| Statement on Regularity, Propriety and Compliance | 11 |
| Statement of Governors' Responsibilities | 12 |
| Independent Auditor's Report on the Financial Statements | 13 |
| Independent Reporting Accountant's Report on Regularity | 14 - 15 |
| Statement of Financial Activities (incorporating Income and Expenditure account) | 16 |
| Balance Sheet | 17 |
| Notes to the financial statements, incorporating: | |
| Statement of Accounting Policies | 18 - 20 |
| Other notes to the Financial Statements | 21 - 31 |

**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**

**Reference and administrative details**

| | | |
|---|---|---|
| **Governors (Trustees):** | Mrs Diane Perry-Yates | (Chair) * |
| | Ms Jenny Melling | (Vice Chair) (appointed 18 November 2013) # |
| | Rev Heather Wilcox | (Chair of School Development Committee) # |
| | Mr Ian Hetherington | (Chair of Resources Committee) (appointed 5 December 2013) * |
| | Mrs Alison Cullum | (Headteacher) * # |
| | Mr Peter Rout | (Responsible Officer) * |
| | Mr Alan Quinton | (appointed 18 November 2013) # |
| | Mr Greg Duffield | (appointed 18 November 2013) # |
| | Mr Michael Power | (appointed 5 November 2013) |
| | Mrs Julie Adams | # |
| | Mr Martin McIlroy | * |
| | Miss Elisabeth Spry | (resigned 1 September 2014) |
| | Mr Bob Baylis | (resigned 1 September 2014) |
| | Mrs Claire Best | (resigned 31 October 2013) |
| | Mrs Sandra Mackelden | (resigned 1 September 2013) |
| | Mr Matthew Parslow-Williams | (resigned 31 March 2014) |
| **Senior leadership team:** | Mrs Alison Cullum<br>Mrs Kendra Collier #<br>Mr Andrew Hughes * | |
| | * = member of Resources Committee<br># = member of School Development Committee | |
| **Company Secretary:** | Mrs C Locke | |
| **Principal and Registered office:** | St Mary's Church of England Junior School<br>Swan Lane<br>Long Stratton<br>Norwich<br>Norfolk<br>NR15 2UY | |
| **Company registration number:** | 07716911 (England and Wales) | |
| **Independent Auditor:** | Lovewell Blake LLP<br>Chartered Accountants and Statutory Auditor<br>Bankside 300<br>Peachman Way<br>Broadland Business Park<br>Norwich<br>NR7 0LB | |
| **Bankers:** | The Co-operative Bank<br>P.O. Box 250<br>Delf House<br>Southway<br>Skelmerdale<br>WN8 6WT | |
| **Solicitors:** | Browne Jacobson LLP<br>Mowbray House<br>Castle Meadow Road<br>Nottingham<br>NG2 1BJ | |

**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**
**REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2014**

The Governors present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2014.

The Academy Trust operates St Mary's Church of England Junior School, a co-educational school in Long Stratton, Norfolk.

**Structure, governance and management**

**Constitution**

St Mary's Church of England Junior School is a company limited by guarantee with no share capital and an exempt charity. The Company's Memorandum and Articles of Association are the primary governing documents of the Academy and are part of the Funding Agreement between the Company and the Secretary of State for Education.

Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

**Members' liability**

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

**Governors' Indemnities**

Subject to the provisions of the Companies Act, every Governor or other officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default breach of duty or breach of trust in relation to affairs of the Academy.

**Principal Activities**

The principal object and activity of the School is to advance for public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. It provides a balanced and broad curriculum to pupils of different abilities between the ages of 7 and 11.

**Governors Recruitment, Induction and Training Procedures**

The Academy is governed by the Trustee board which delegates functions as appropriate to a Local Governing Body who are appointed by the Trustees as a committee. The Trustees and Governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Academy. The Trustees were initially appointed as described in the constitution (as described on page 4) and; the Trustee board may appoint Trustees in exceptional circumstances. No Trustees were co-opted nor were appointments made by the Secretary of State in 2013/2014. Trustees may be removed by the person or persons who appointed them.

The Articles of Association require the members of the Charitable Company to appoint at least two Director Trustees to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy.

The training and induction provided for new Governors includes a tour of the Academy and a chance to meet staff and pupils. Norfolk Governors Services provides external training including financial matters. They provide regular updates on practice, legislation and guidance.

All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be done informally and is tailored specifically to the individual.

**Organisational structure**

The organisational structure of the Academy consists of three levels: The Trustees, Governors, and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees and governing body are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy. The Governors are responsible for monitoring the performance of the Headteacher on a regular basis.

The Senior Leadership Team members for the Academy are the Headteacher, Assistant Head LKS2 (with additional SENDCO responsibility and Assistant Head UKS2 with a PE/G&T responsibility. These control the Academy at an executive level realising the vision for the Academy, ensuring the Academy runs smoothly and help children make creative and academic progress, implementing the policies laid down by the Governors and reporting back to them. The Headteacher authorises all high value orders within the Academy.

**Risk management**

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

**Connected organisations, including related party relationships**

There are no related parties which either control or significantly influence the decisions and operations of St Mary's Church of England School Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

**Objects and aims**

The Object of the Academy is as follows:

*'The Academy Trust's object ("**the Object**") is specifically restricted to the following:*

- *To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character, offering a broad and balanced curriculum ("the Academy") conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education, and*

- *To promote for the benefit of individuals living in Long Stratton and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals, for so long as the Academy continues to function as an educational institution.'*

**Objectives and activities (continued)**

**Objectives, strategies and activities**

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

- feel safe and valued as part of a caring community that celebrates success;
- experience and actively participate in a relevant, enjoyable curriculum that evolves to meet the needs of all;
- inspire an 'enquiring' mind and ask questions;
- be independent thinkers / learners who are able to seek solutions creatively and co-operatively;
- be able to listen and articulate responses showing consideration to others;
- be polite and courteous;
- be proactive in our responsibilities towards the community, society, the environment and economy, linking 'real life' with our learning;
- understand and respect diversity;
- develop a sense of self-esteem; and
- be well balanced and healthy individuals.

Key priorities for the year are contained in our School Development Plan which is available from the School Office. Improvement Focuses identified for this year include:

- Standards in English continue to improve;
- Continue to improve 2 levels progress in Writing at the end of KS2;
- The progress in Maths is maintained through recommended teaching methods;
- FSM/SEN/Summer born gap narrows throughout the Academy;
- All Children experience a wider, practical integrated curriculum;
- Financial management continues to be of the highest standards and give value for money;
- External/ internal resources enable a safe, healthy and stimulating environment;
- Parents feel confident in the Academy and it is valued by the community;
- Links with the church continue to build and strengthen; and
- Christian values are clearly embedded throughout the school community;

**Public Benefit**

In setting our objectives and planning our activities the Governors and Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. Pupils are admitted in accordance with the admissions policy agreed with the Department for Education (DfE). Children are admitted from a wide range of backgrounds, from social housing in Long Stratton, to those from higher income households outside of our catchment area. The Academy has a rich curriculum which aims to deliver good academic progress with a range of activities and experiences, offering pupils a chance to demonstrate their abilities and potential.

**Human equalities policy**

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

**Disabled persons**

Lifts and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of pupils and employees with disabilities. The Academy does this by adapting the physical environment, by making resources available and through training and career development.

## Strategic Report

### Achievements and performance

Total pupils in the year ended 31st August 2014 numbered 220.

Our school curriculum continues to be one which offers variety and interest to all pupils. This year children have taken part in lots of exciting activities. All year groups had the opportunity to go on a residential; Year 3 went to Holt Hall, Year 4 Kingswood, Year 5 Horstead (the centre run by the Diocese of Norwich) and Year 6 France; this visit included visits to the WW1 battlefields where children were able to honour the fallen by laying a wreath. Year 5 visited the Royal Norfolk Show and presented a stand in the schools' tent based on WW1; they had investigated the men who bravely fought and died during the war from Long Stratton. Visitors to the stand were moved by the stories that the children were able to narrate. Year 6 started their opera project with Norwich Theatre Royal, based on the Lord of the Flies; this will lead to a performance in the Autumn Term 2014.

The school was very successful in sporting/general knowledge competitions; winning the county cycling competition and cricket five a side event. Our school won the Science Olympiad at the University of East Anglia. The school continues to provide outdoor learning opportunities in our wildlife area and beyond, children have built shelters for animals, devised their own orienteering hunts and have harvested vegetables from their garden; winning the top prize for the most potatoes harvested at the Royal Norfolk Show.

The school continues to work alongside and support other schools; this year we have worked with Watton Junior, Forncett Primary, Newton Flotman Primary, Bawdeswell and Elmham partnership, Dickleburgh Primary, Garboldisham Primary, Scole Primary, Costessey Junior and Attleborough, Wayland and Fakenham High School. The school continues to work closely with the Norwich Diocese.

In addition, the school continued to offer a range of many other activities and experiences for its pupils. Those who come from low economic backgrounds were able to apply to access the Pupil Premium fund to access a range of activities including residentials, day trips, theatre visits, cubs, guides, swimming and laptops.

Academic achievements

KS2 2014 results remain strong in Maths, Level 4+ 90% above national average; slightly down in English Level 4+, in Writing at national average in Reading. Many Level 5s achieved in Grammar and Punctuation but lower for Spelling.

Maths results are well above national expectations. English are slightly below (one pupil =5%).

Areas that have been highlighted for school development are writing progress across the school, more able writing, and spelling.

### Going Concern

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

**Financial Review**

Most of the Academy's income is obtained from the Department for Education via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2014, the Academy received income of £804,855 (2013 - £820,434) in respect of General Annual Grant and other Government funding and £109,466 (2013 - £83,968) other income, giving total income of £914,321 (2013 - £904,402) for the year. Expenditure for the period amounted to £943,991 (2013 - £955,524).

**Reserves Policy**

The Governors' Resources Committee believe reserves should be set at a level which will provide sufficient working capital to cover delays between spending and receipt of grants to allow for unexpected situations such as urgent maintenance work.

As at 31 August 2014 the Academy had free reserves of £35,062. It is the aim of the Governors to achieve a balanced budget and to build up reserves where possible.

**Investment Policy**

With the exception of cash held for the operation of the Academy, St Mary's Church of England Junior School has no realisable investments as at 31 August 2014. The Governing Body has adopted a low risk strategy to cash holdings operating an interest bearing account with the Academy's bankers.

**Principal risks and uncertainties**

The Governors have responsibility to assess the strategic risks to which the Academy is exposed and have completed a risk management register to ensure that steps are taken to mitigate risks.

This is done through the sub-committees and includes educational risks such as the Academy not achieving the planned educational outcomes and maintenance and improvement on previous examination results, whole or partial building loss, financial and operational risks, including budget risks and health and safety reviews and safeguarding pupils. In this way steps are taken to mitigate risk. Some significant risks such as public and employee liability are covered by the Academy's insurance policy.

The Governors are implementing a number of systems to assess risks that the Academy faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in this report.

**Plans for future periods**

The objectives, strategies and activities for the next financial year are:

- To ensure that all children make at least 2 NC levels progress in writing during time at St. Mary's.
  The use of targets is embedded into teaching so children know and refer to their targets.
  Develop peer/self/teacher assessment skills incorporating 2 stars and a wish.

- To attain 85% in SATS writing 2014.
  Embedding the Big Write and VCOP scheme and ensuring continuity.
  Moderation staff meetings to assist with levelling- externally.
  Set up VCOP displays in each classroom for children to use daily.
  School Governors Visit to ask children about their targets; look for evidence in literacy, handwriting and topic books; look for use of success criteria and verbal feedback in lessons.
  School Development Committee to check progress and attainment in Writing.

- To raise attainment through improving assessment and monitoring systems.
  By setting up rigorous monitoring systems.
  Planned moderation of subject areas.

- For Governors to have a greater impact on school development.
  By being more visible in school and having contact with other school members.
  Governor(s) to be involved and contribute to school development.

**Auditor**

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware: and

- the Governors have taken all steps that they ought to have taken to make themselves aware of the relevant audit information and to establish that the auditor is aware of that information.

Lovewell Blake LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The report of the Governors, including Strategic Report, was approved by the Governors on ...16/12/14.... and signed on their behalf by:

**Diane Perry-Yates**
Chair of Governors

**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**

**GOVERNANCE STATEMENT for the year ended 31 August 2014**

**Scope of Responsibility**
As Governors, we acknowledge we have overall responsibility for ensuring that St Mary's Church of England Junior School Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the 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 St Mary's Church of England Junior School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**Governance**
The information of governance included here supplements that described in the Governors' report and in the statement of Governors' responsibilities. The Full Governing Body has formally met seven times during the year to 31 August 2014. Attendance during this period at Full meetings of the Governing Body was as follows:

| Governor | Meetings attended | Out of a possible |
|---|---|---|
| Rev Heather Wilcox | 6 | 7 |
| Mrs Diane Perry-Yates | 7 | 7 |
| Mr Martin McIlroy | 5 | 7 |
| Mrs Alison Cullum | 7 | 7 |
| Mr Peter Rout | 6 | 7 |
| Mrs Kay Oglieve-Chan | 1 | 1 |
| Miss Elisabeth Spry | 7 | 7 |
| Mrs Julie Adams | 6 | 7 |
| Mr Bob Baylis | 6 | 7 |
| Mrs Greg Duffield | 5 | 6 |
| Mr Alan Quinton | 5 | 6 |
| Mr Mike Power | 5 | 6 |
| Mr Ian Hetherington | 5 | 5 |
| Mrs Jenny Melling | 6 | 6 |

Mrs Diane Perry-Yates was appointed Chair on 1 September 2014, following the resignation as Chair of Rev Heather Wilcox.

The largest challenge presented to the Governors during the year has been the continued need to operate the Academy within a 'balanced budget'.

The Resources Committee is a committee of the main Governing body. Its purpose is to review and plan the strategic financial planning and expenditure of the Academy budget.

Attendance at Resources Committee meetings in the year to 31 August 2014 was as follows:

| Governor | Meetings attended | Out of a possible |
|---|---|---|
| Mr Martin McIlroy | 5 | 5 |
| Mr Peter Rout | 4 | 5 |
| Mrs Diane Perry-Yates | 5 | 5 |
| Rev Heather Wilcox | 5 | 5 |
| Mrs Alison Cullum | 5 | 5 |
| Mrs Jenny Melling | 5 | 5 |
| Mr Michael Power | 4 | 5 |
| Mr Ian Hetherington | 5 | 5 |

## GOVERNANCE STATEMENT for the year ended 31 August 2014

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary's Church of England Junior School Academy Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Peter Rout, one of the Governors, as Responsible Officer. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a regular basis, the RO reports verbally to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

### Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the School Support Officer who has responsibility for the development and maintenance of the internal control framework.

**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**

**GOVERNANCE STATEMENT for the year ended 31 August 2014**

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on ..16/12/14.... and signed on its behalf by:

**Diane Perry-Yates**
Chair of Governors

**Mrs Alison Cullum**
Accounting Officer

**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE for the year ended 31 August 2014**

As Accounting Officer of St Mary's Church of England Junior School Academy Trust I have considered my responsibility to notify the Academy Trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Alison M Cullum

**Mrs Alison Cullum**
Accounting Officer

**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES for the year ended 31 August 2014**

The Governors (who act as Trustees for the charitable activities of St Mary's Church of England Junior School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Governing Body on 16/12/14 and signed on its behalf by:

**Diane Perry-Yates**
Chair of Governors

**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS for the year ended 31 August 2014**

We have audited the financial statements of St Mary's Church of England Junior School for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the 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 opinions we have formed.

**Respective responsibilities of governors and auditor**
As explained more fully in the Governors' Responsibilities Statement set out on page 12, the Governors (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.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this 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 (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**
A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

**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 2013, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Report of the Governors for the period for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Lovewell Blake LLP

MARK PROCTOR ACA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

17/12/14

**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY AND THE EDUCATION FUNDING AGENCY for the year ended 31 August 2014**

In accordance with the terms of our engagement letter dated 21 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the year ended 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them:

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

**Respective responsibilities of the accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Academy's funding agreement with the Secretary of State for Education dated 25 July 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 ended 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY AND THE EDUCATION FUNDING AGENCY for the year ended 31 August 2014**

The work undertaken to draw to our conclusion includes:

- Review of minutes of the various committees and sub-committees, management accounts and discussions with key personnel
- Evaluation of the implementation of the internal control procedures, and detailed review of the control environment for any changes or weaknesses
- Review of expense claims and credit card expenditure, to ensure it adheres to internal control procedures and is not for personal benefit
- Review of financial transactions for any unusual transactions which may be improper
- Ensuring that all the activities of the Academy are in keeping with the Academy's framework and charitable objectives
- Ensuring that key staff and Governors have declared their interest in related parties and following up with discussions and testing
- Review of related party transactions to ensure that no favourable rates have been applied
- Ensuring any contracts with connected parties have been procured following the Academy's procurement and tendering process, and if contracts were entered in to after1 November 2013 that the Academy has obtained statements of assurance confirming no profit element was charged.
- Ensuring expenditure does not contravene the funding agreement
- Ensuring extra-curricular payments for staff have been made in accordance with the Handbook
- Ensuring that where special payments, including compromise agreements have been made to staff, that prior approval has been sought for non-contractual amounts over £50,000, payments are not used as a substitute for taking appropriate action under the Academy's misconduct or performance management procedures, and payments are in line with the severance guidance published by EFA
- Ensuring borrowing agreements, including finance leases, have been made in accordance with the Handbook
- Ensuring land and building transactions, especially disposals, are in line with the funding agreement and Handbook and prior approval has been obtained
- Ensuring write-offs over 1% of total income or £45,000 (whichever is smaller) have been approved in advance by the Secretary of State
- Ensuring procurement activity is in accordance with Annex 4.4 of Managing Public Money

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

Lovewell Blake LLP

MARK PROCTOR ACA DChA (Reporting Accountant)
LOVEWELL BLAKE LLP

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

17/12/14

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

**STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2014**
**(including Income and expenditure account and Statement of Total Recognised Gains and Losses)**

| | Note | Unrestricted Funds £ | Restricted Funds £ | Restricted Fixed Asset Funds £ | Total 2014 £ | Total 2013 (restated) £ |
|---|---|---|---|---|---|---|
| **Incoming resources** | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 2 | 9,495 | - | - | 9,495 | 8,973 |
| Activities for generating funds | 3 | 32,723 | - | - | 32,723 | 23,909 |
| Investment income | 4 | 308 | - | - | 308 | 737 |
| Incoming resources from charitable activities: | | | | | | |
| Funding for the Academy's educational operations | 5 | - | 804,855 | - | 804,855 | 820,434 |
| Other incoming resources | 6 | 66,940 | - | - | 66,940 | 50,349 |
| **Total incoming resources** | | **109,466** | **804,855** | **-** | **914,321** | **904,402** |
| **Resources expended** | | | | | | |
| Costs of generating funds | 8 | 36,700 | - | - | 36,700 | 33,577 |
| Charitable activities: | | | | | | |
| Academy's educational operations | 9 | 43,123 | 798,513 | 50,190 | 891,826 | 909,402 |
| Governance costs | 10 | - | 15,465 | - | 15,465 | 12,545 |
| **Total resources expended** | | **79,823** | **813,978** | **50,190** | **943,991** | **955,524** |
| **Net income/(expenditure) for the year** | | **29,643** | **(9,123)** | **(50,190)** | **(29,670)** | **(51,122)** |
| **Transfers between funds** | 17 | (13,504) | 8,118 | 5,386 | - | - |
| **Net incoming / (outgoing) resources before other recognised gains and losses** | | **16,139** | **(1,005)** | **(44,804)** | **(29,670)** | **(51,122)** |
| **Other recognised gains and losses** | | | | | | |
| Actuarial (losses)/gains on defined benefit pension schemes | 22 | - | (78,000) | - | (78,000) | 7,000 |
| **Net movement in funds** | | **16,139** | **(79,005)** | **(44,804)** | **(107,670)** | **(44,122)** |
| **Reconciliation of funds** | | | | | | |
| Total funds brought forward at 1 September 2013 | | 18,923 | (95,000) | 2,642,377 | 2,566,300 | 2,610,422 |
| **Total funds carried forward at 31 August 2014** | 17 | **35,062** | **(174,005)** | **2,598,573** | **2,458,630** | **2,566,300** |

All of the Academy's activities derive from continuing operations during the financial period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes on pages 18 to 31 form part of these financial statements.

Company No: 07716911

**ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**

**BALANCE SHEET as at 31 August 2014**

| | Note | | 2014 | | 2013 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ (restated) |
| **Fixed assets** | | | | | |
| Tangible assets | 14 | | 2,597,573 | | 2,642,377 |
| **Current assets** | | | | | |
| Debtors | 15 | 11,929 | | 5,184 | |
| Cash at bank and in hand | | 101,372 | | 69,670 | |
| | | 113,301 | | 74,854 | |
| **Current liabilities** | | | | | |
| Creditors: Amounts falling due within one year | 16 | (73,244) | | (55,931) | |
| **Net current assets** | | | 40,057 | | 18,923 |
| **Total assets less current liabilities** | | | 2,637,630 | | 2,661,300 |
| Pension scheme liability | 22 | | (179,000) | | (95,000) |
| **Net assets including pension liability** | 17 | | **2,458,630** | | **2,566,300** |
| **Funds of the academy trust** | | | | | |
| **Restricted funds** | | | | | |
| Fixed asset fund | 17 | | 2,597,573 | | 2,642,377 |
| General fund | 17 | | 4,995 | | - |
| Pension reserve | 17 | | (179,000) | | (95,000) |
| | | | 2,423,568 | | 2,547,377 |
| **Unrestricted funds** | | | | | |
| General fund | 17 | | 35,062 | | 18,923 |
| **Total funds** | | | **2,458,630** | | **2,566,300** |

The financial statements on pages 16 to 31 were approved by the Governors, and authorised for issue on ....16/12/14.. and are signed on their behalf by:

**Diane Perry-Yates**
Chairman of Governors

The notes on pages 18 to 31 form part of these financial statements.

## 1. Statement of accounting policies

### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, the Charity Commission "Statement of Recommended Practice: Accounting and Reporting by Charities" (SORP 2005), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### Cash flow statement

The Governors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

### Going concern

The Governors 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 Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

### Incoming resources

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

- ***Grants receivable***

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

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

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

- ***Donations***

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

- ***Donated services and gifts in kind***

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 Academy's policies.

- ***Interest receivable***

Interest receivable is included within the Statement of Financial Activities on an accruals basis.

## 1. Statement of accounting policies (continued)

**Incoming resources (continued)**

- ***Other income***

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

**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 charged allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- ***Costs of generating funds***

These are costs incurred relating to the activities to generate funds.

- ***Charitable activities***

These are costs incurred on the Academy's educational operations.

- ***Governance costs***

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

**Depreciation**

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

| | |
|---|---|
| Leasehold property | 2% straight line |
| Fixtures, fittings and equipment | 10%-20% straight line |
| Computer equipment | 25% straight line |

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

**Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

## 1. Statement of accounting policies (continued)

### 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.

### Pensions benefits

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

*Teachers' Pension Scheme*
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 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.

*Local Government Pension Scheme*
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 settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected rate of return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

### Fund accounting

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

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

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

## 2. VOLUNTARY INCOME

| | Unrestricted £ | Restricted £ | 2014 £ | 2013 £ |
|---|---|---|---|---|
| Donations | 9,495 | - | 9,495 | 8,973 |

## 3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted £ | Restricted £ | 2014 £ | 2013 £ |
|---|---|---|---|---|
| Hire of facilities | 4,100 | - | 4,100 | 3,173 |
| Catering income | 28,623 | - | 28,623 | 20,736 |
| | 32,723 | - | 32,723 | 23,909 |

## 4. INVESTMENT INCOME

| | Unrestricted £ | Restricted £ | 2014 £ | 2013 £ |
|---|---|---|---|---|
| Bank Interest | 308 | - | 308 | 737 |

## 5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted £ | Restricted £ | 2014 £ | 2013 £ |
|---|---|---|---|---|
| DfE/EFA revenue grants | | | | |
| • General Annual Grant (GAG) | - | 761,495 | 761,495 | 697,939 |
| • Other DfE/EFA Grants | - | 36,997 | 36,997 | 116,335 |
| • Capital grants | - | 6,363 | 6,363 | 6,160 |
| | - | 804,855 | 804,855 | 820,434 |

## 6. OTHER INCOMING RESOURCES

| | Unrestricted £ | Restricted £ | 2014 £ | 2013 £ |
|---|---|---|---|---|
| Trips | 29,126 | - | 29,126 | 24,271 |
| Activities | 14,564 | - | 14,564 | 9,847 |
| Insurance claims – staff absence | 18,695 | - | 18,695 | 11,643 |
| Other income | 4,555 | - | 4,555 | 4,588 |
| | 66,940 | - | 66,940 | 50,349 |

## 7. RESOURCES EXPENDED

| | Staff Costs £ | Depre-ciation £ | Other Costs £ | Total 2014 £ | Total 2013 £ |
|---|---|---|---|---|---|
| **Cost of activities for generating funds** | 20,515 | - | 16,185 | 36,700 | 33,577 |
| **Charitable activities:** | | | | | |
| Academy's educational operations | | | | | |
| Direct costs | 584,886 | 50,190 | 56,511 | 691,587 | 709,331 |
| Allocated support costs | 90,508 | - | 103,731 | 194,239 | 195,071 |
| FRS17 pension costs | 6,000 | - | - | 6,000 | 5,000 |
| | 681,394 | | 160,242 | 891,826 | 909,402 |
| **Governance costs including allocated support costs** | - | - | 15,465 | 15,465 | 12,545 |
| | 701,909 | 50,190 | 191,892 | 943,991 | 955,524 |

| Incoming/outgoing resources for the year include: | 2014 £ | 2013 £ |
|---|---|---|
| Operating leases | 1,578 | 1,578 |
| Fees payable to auditor | | |
| - audit | 3,552 | 3,550 |
| - other services | | |
| EFA financial return | 5,150 | - |
| other | 6,513 | 4,830 |

## 8. COST OF ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted £ | Restricted £ | 2014 £ | 2013 £ |
|---|---|---|---|---|
| Catering | 36,700 | - | 36,700 | 33,577 |

## 9. CHARITABLE ACTIVITIES

| | Unrestricted | Restricted | 2014 | 2013 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Direct costs – educational operations** | | | | |
| Teaching and educational support staff costs | - | 584,886 | 584,886 | 594,558 |
| Depreciation | - | 50,190 | 50,190 | 49,660 |
| Educational supplies | - | 5,032 | 5,032 | 8,386 |
| Staff development | - | 8,530 | 8,530 | 3,744 |
| Trips | 27,138 | - | 27,138 | 28,635 |
| Activities | 2,142 | - | 2,142 | 2,087 |
| Other direct costs | 13,669 | - | 13,669 | 22,261 |
| | 42,949 | 648,638 | 691,587 | 709,331 |
| **Support costs – educational operations** | | | | |
| Support staff costs | - | 90,508 | 90,508 | 90,678 |
| Maintenance of premises and equipment | - | 14,734 | 14,734 | 31,409 |
| Cleaning | - | 1,686 | 1,686 | 1,507 |
| Rent and rates | - | 9,420 | 9,420 | 4,162 |
| Heat and light | - | 12,142 | 12,142 | 24,177 |
| Insurance | - | 23,280 | 23,280 | 24,451 |
| Transport | - | 1,301 | 1,301 | 648 |
| Bank interest and charges | 174 | - | 174 | 669 |
| Other support costs | | 40,944 | 40,944 | 17,370 |
| | 174 | 194,065 | 194,239 | 195,071 |
| **FRS17 Pension Costs** | - | 6,000 | 6,000 | 5,000 |
| **Total** | **43,123** | **848,703** | **891,826** | **909,402** |

## 10. GOVERNANCE COSTS

| | Unrestricted | Restricted | 2014 | 2013 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Auditor's remuneration: | | | | |
| Audit of financial statements | - | 3,552 | 3,552 | 3,550 |
| Legal and Professional fees | - | 11,913 | 11,913 | 8,995 |
| | - | 15,465 | 15,465 | 12,545 |

## 11. STAFF COSTS

| Staff costs during the period were | 2014 £ | 2013 £ |
|---|---|---|
| Wages and salaries | 566,760 | 596,086 |
| Social security costs | 31,694 | 35,393 |
| Pension costs | 80,973 | 74,774 |
| FRS17 pension costs | 6,000 | 5,000 |
| Supply staff costs | 16,482 | 6,736 |
| | 701,909 | 717,989 |

The average number of persons employed by the Academy during the period ended 31 August 2014 expressed as full time equivalents was as follows:

| | 2014 No | 2013 No |
|---|---|---|
| **Charitable Activities** | | |
| Teaching | 10 | 9 |
| Support | 13 | 14 |
| | 23 | 23 |

There were no employees during the period with emoluments above £60,000.

## 12. GOVERNORS' REMUNERATION AND EXPENSES

The Head and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration was as follows:

| | | |
|---|---|---|
| A Cullum (Head and Governor) | £50,000 - £55,000 | (2013 - £50,000 - £55,000) |
| C Best (Staff Governor) | £0 - £5,000 | (2013 - £15,000 - £20,000) |
| M Parslow-Williams (Staff Governor) | £25,000 - £30,000 | (2013 - £30,000 - £35,000) |
| A Hughes | £10,000 - £15,000 | (2013 – not a staff governor) |
| K Collier | £15,000 - £20,000 | (2013 – not a staff governor) |

M Parslow-Williams resigned as a Staff Governor on 31 March 2014.
C Best resigned as a Staff Governor on 31 October 2013.
K Collier and A Hughes were both appointed as Staff Governors on 13 April 2014.

During the period, travel and subsistence expenses totalling £Nil (2013 - £6) were reimbursed to no (2013 – one) Governors.

Other related party transactions involving the Governors are set out in note 23.

## 13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides maximum cover up to £1,000,000 and the cost for the year to 31 August 2013 was £1,150 (2013 - £1,577).

## 14. TANGIBLE FIXED ASSETS

| | Leasehold land & buildings £ | Fixtures, furniture & equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 September 2013 | 2,712,219 | 29,245 | 1,944 | 2,743,408 |
| Additions | - | - | 5,386 | 5,386 |
| At 31 August 2014 | 2,712,219 | 29,245 | 7,330 | 2,748,794 |
| **Depreciation** | | | | |
| At 1 September 2013 | 92,654 | 7,458 | 919 | 101,031 |
| Charge in period | 46,330 | 2,925 | 935 | 50,190 |
| At 31 August 2014 | 138,984 | 10,383 | 1,854 | 151,221 |
| **Net book value** | | | | |
| **At 31 August 2014** | 2,573,235 | 18,862 | 5,476 | 2,597,573 |
| At 31 August 2013 | 2,619,565 | 21,787 | 1,025 | 2,642,377 |

All assets are used for educational purposes.

The buildings occupied by the Academy are leased from the Norwich Diocesan Board of Education for a 'peppercorn' rent for a period of 125 years. In addition, the land occupied by the Academy is leased from Norfolk County Council on a 125 year lease which commenced on 17 August 2011.

## 15. DEBTORS

| | 2014 £ | 2013 £ |
|---|---|---|
| Trade debtors | - | 444 |
| Prepayments and accrued income | 4,180 | - |
| Other debtors | 7,749 | 4,740 |
| | 11,929 | 5,184 |

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2014 £ | 2013 £ |
|---|---|---|
| Trade creditors | 68,452 | 38,750 |
| Accruals and deferred income | 4,792 | 17,181 |
| | 73,244 | 55,931 |

| **Deferred income** | 2014 £ | 2013 £ |
|---|---|---|
| Deferred income at 1 September 2013 | 12,191 | - |
| Resources deferred in the year | - | 12,191 |
| Amounts released from previous years | (12,191) | - |
| Deferred income at 31 August 2014 | - | 12,191 |

## 17. FUNDS

| | Balance at 31 August 2013 (restated) £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2014 £ |
|---|---|---|---|---|---|
| **Restricted funds** | | | | | |
| General Annual Grant (GAG) | - | 767,858 | (775,976) | 8,118 | - |
| Other DfE grants | | 36,997 | (32,002) | - | 4,995 |
| Pension reserves | (95,000) | - | ( 6,000) | (78,000) | (179,000) |
| | (95,000) | 804,855 | (813,978) | (69,882) | (174,005) |
| **Restricted fixed asset funds** | | | | | |
| Donated assets | 2,634,309 | - | (48,626) | - | 2,585,683 |
| Capital expenditure from GAG | 8,068 | | (1,564) | 5,386 | 11,890 |
| | 2,642,377 | | (50,190) | 5,386 | 2,597,573 |
| **Total restricted funds** | **2,547,377** | **804,855** | **(864,168)** | **(64,496)** | **2,423,568** |
| **Unrestricted funds** | | | | | |
| General reserves | 18,923 | 109,466 | (79,823) | (13,504) | 35,062 |
| **Total unrestricted funds** | **18,923** | **109,466** | **(79,823)** | **(13,504)** | **35,062** |
| **Total funds** | **2,566,300** | **914,321** | **(943,991)** | **(78,000)** | **2,458,630** |

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

**GAG & other DfE grants**: the restricted income fund is for the purpose of specific expenditure within the Academy's declared objectives. DfE grants relate to government funding for the provision of education by the Academy. Funding is repayable if the Academy does not meet all funding requirements. Expenditure which has not been covered by GAG funding has been transferred to unrestricted funds.

**Pension reserve:** represents Academy's liability relating to the Local Government Pension Scheme. Any increase in pension contributions suggested by the Scheme Actuary should be able to be met from the Acadamy's budgeted annual income.

**Fixed asset fund:** represents the value of fixed assets transferred on conversion and acquisitions since conversion, less accumulated depreciation.

## 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2014 are represented by:

| | Unrestricted funds £ | Restricted funds £ | Pension liability £ | Restricted fixed asset funds £ | Total £ |
|---|---|---|---|---|---|
| Tangible fixed assets | - | - | - | 2,597,573 | 2,597,573 |
| Net current assets | 35,062 | 4,995 | - | - | 40,057 |
| Pension scheme liability | - | - | (179,000) | - | (179,000) |
| **Total net assets** | **35,062** | **4,995** | **(179,000)** | **2,597,573** | **2,458,630** |

## 19. FINANCIAL COMMITMENTS

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

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| **Operating leases which expire:** | | |
| Within two to five years | 1,578 | 1,578 |

## 20. CAPITAL COMMITMENTS

There were no capital commitments at the year end.

## 21. MEMBERS' LIABILITY

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

## 22. PENSION AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Norfolk 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 was 31 March 2004 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at the end of the financial period.

**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 in 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.

## 22. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

### Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);

- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

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

### Teachers' Pension Scheme Changes

Lord Hutton made recommendations in March 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 $^{1}/_{57}$th; 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 were to be 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 representative 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 (FRS17) 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 FRS17 and 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.

## 22. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2014 was £39,000 of which employer's contributions totalled £30,000 and employees' contributions totalled £9,000. The agreed future rates for future years are 6.4 to 12.4% for employees and 14.1% for employers.

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

### Principal Actuarial Assumptions

| | 2014 | 2013 |
|---|---|---|
| | % | % |
| Salary increase rate | 3.5 | 5.1 |
| Pension increase rate | 2.7 | 2.8 |
| Expected return on assets | 5.4 | 5.8 |
| Discount rate | 3.7 | 4.6 |

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

| | 2014 | 2013 |
|---|---|---|
| | Years | Years |
| *Current pensioners* | | |
| Males | 22.1 | 21.2 |
| Females | 24.3 | 23.4 |
| *Future pensioners* | | |
| Males | 24.5 | 23.6 |
| Females | 26.9 | 25.8 |

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

| | Expected return at 31 August 2014 | Fair value at 31 August 2014 | Expected return at 31 August 2013 | Fair value at 31 August 2013 |
|---|---|---|---|---|
| | % | £ | % | £ |
| Equities | 6.3 | 226,000 | 6.6 | 141,000 |
| Bonds | 3.4 | 73,000 | 4.1 | 42,000 |
| Property | 4.5 | 38,000 | 4.7 | 23,000 |
| Cash | 3.3 | 10,000 | 3.6 | 4,000 |
| **Total market value of assets** | | **347,000** | | **210,000** |
| Present value of funded liabilities | | (526,000) | | (305,000) |
| **Deficit in the scheme** | | **(179,000)** | | **(95,000)** |

The actual return on scheme assets was £26,000 (2013 - £23,000).

## 22. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

**Amounts recognised in the Statement of Financial Activities**

| | 2014<br>£ | 2013<br>£ |
|---|---|---|
| Current service cost (net of employee contributions) | 34,000 | 33,000 |
| Total operating charge | 34,000 | 33,000 |
| **Analysis of pension finance income/(costs)** | | |
| Expected return on scheme assets | (13,000) | (8,000) |
| Interest on pension liabilities | 15,000 | 11,000 |
| **Pension finance costs** | **2,000** | **3,000** |

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS17 is a £101,000 (2013 - £23,000) loss.

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

| | | |
|---|---|---|
| At 1 September 2013 | 305,000 | 243,000 |
| Current service cost | 34,000 | 33,000 |
| Interest cost | 15,000 | 11,000 |
| Employee contributions | 9,000 | 10,000 |
| Estimated benefits paid | (1,000) | - |
| Actuarial loss | 164,000 | 8,000 |
| **At 31 August 2014** | 526,000 | 305,000 |

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

| | | |
|---|---|---|
| At 1 September 2013 | 210,000 | 146,000 |
| Expected return on assets | 13,000 | 8,000 |
| Actuarial gain | 86,000 | 15,000 |
| Estimated benefits paid | (1,000) | - |
| Employer contributions | 30,000 | 31,000 |
| Employee contributions | 9,000 | 10,000 |
| **At 31 August 2014** | **347,000** | **210,000** |

The estimated value of employer contributions for the year ended 31 August 2015 is £33,000.

**The two-year history of experience adjustments is as follows:**

| **Period ended** | **31 August 2014<br>£** | **31 August 2013<br>£** |
|---|---|---|
| Present value of defined benefit obligation | (526,00) | (305,000) |
| Fair value of share of scheme assets | 347,000 | 210,000 |
| Deficit in the scheme | (179,000) | (95,000) |
| Experience gains on assets | 86,000 | 15,000 |
| Experience losses on liabilities | (130,000) | - |

## 23. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governor 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.

There were no transactions which, in the opinion of the Governors, need to be reported for the purposes of a proper understanding of the accounts.

## 24. PRIOR YEAR ADJUSTMENT

A prior year adjustment was made to transfer assets purchased from the restricted GAG fund to the restricted fixed asset fund.