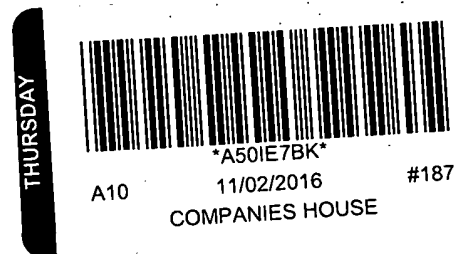


**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015
FOR**

**GRAVENY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**



McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 AUGUST 2015

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GRAVENY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

MEMBERS

Mrs A Blackwell
B J Snashall
A H T Bowles

TRUSTEES

A H T Bowles
Mrs S A Dunkin (staff trustee)
R Kitto
Mrs A J Memmott (resigned 19.1.15)
B J Snashall
Mrs A Blackwell (Headteacher)
K P Howarth (resigned 24.9.15)
Mrs V L Keep
Mrs D M Knibbs (staff trustee)
Miss T C Goodsell (staff trustee)
L J Suter (appointed 11.6.15)

Mrs Alison Blackwell, Miss Tracey Goodsell, Mrs Sarah Dunkin and Mrs Dreena Knibbs are staff governors.

Senior Management Team

Mrs Alison Blackwell	Headteacher
Miss Tracey Goodsell	Senior teacher
Mrs Dreena Knibbs	Business Manager

REGISTERED OFFICE

C/O Graveney Primary School
Seasalter Road
Graveney
FAVERSHAM
Kent
ME13 9DU

REGISTERED COMPANY NUMBER

07847021 (England and Wales)

AUDITORS

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

The Trust operates one Primary School in Graveney. It had 105 students on roll (maximum capacity is 105).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Graveney Primary School are also the Directors of the company for the purposes of company law.

Details of the Trustees who served throughout the period 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.

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006, every Trustee, 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 him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The number of Trustees (Directors) shall be not less than three and shall not be subject to any maximum.

Members may appoint up to 5 Trustees and any number of staff Trustees, providing the number of staff Trustees does not exceed one third of total governors.

The Chairman of the Board of Trustees shall be a Trustee, appointed by the Governing Body.

The Headteacher shall be treated for all purposes as being an ex officio Trustee.

There shall be a minimum of 2 Parent Trustees, elected by the Parent Members of the Advisory Bodies/ Board of Trustees. Parent Trustees must be a parent of a registered pupil of Graveney Primary School or of one of the other local Academies. Any election of Parent Trustees which is contested will be held by secret ballot.

If the number of Parents standing is less than the number of vacancies, the number of Parent Trustees required will be made up of Parent Governors appointed by the Board of Trustees.

The Trustees may appoint up to three co-opted Trustees. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees (including the Headteacher).

The Secretary of State may appoint Additional Trustees as he thinks fit if a warning notice has been given to the Trustees because the standards of performance are unacceptably low, there is a serious breakdown in the way the Academy is managed and the safety of staff and pupils is threatened and following this, the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint Additional Trustees following an inspection by the Chief Inspector in accordance with the Education Act 2005 and the Academy Trust receives an Ofsted grading which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a five year period.

The Secretary of State may also appoint Further Trustees as he thinks fit if a Special Measures Termination Event occurs.

Induction and training of new trustees

The induction provided for new Trustees is tailored to their existing experience, with training provided on charity, educational, legal and financial matters as necessary. Copies of the policies, procedures, minutes, accounts, budget, plans and any other necessary documents that they will need to undertake their role as a Trustee will be made available. Each new Trustee is also allocated a mentor Trustee to support them in their new role.

Ongoing training is available through Kent County Council Governor Services. They provide an annual calendar of training events in addition to online training that all Trustees can access. The Academy will also employ bespoke trainers where deemed necessary. Training sessions for all Trustees are arranged at the School on appropriate topics, usually once per year. A Trustee is designated to oversee and collate the training records and to arrange bespoke sessions. Trustees are also invited by the Headteacher to attend Staff training sessions, where appropriate.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees are responsible for the strategic direction of the School, making major decisions and monitoring the activities of the School. This is achieved through six meetings a year of the Full Governing Body and meetings of Working Parties set up to look at specific areas of the School's activities. The Trustees are responsible for monitoring the performance of the Headteacher on a regular basis.

The Headteacher is assisted by the Senior Management Team, including the Business Manager and the teaching and administrative staff.

Connected Organisations, including Related Party Relationships

The School has no subsidiaries and is not connected to any other organisation.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The School's object is to advance for the public benefit education in the Graveney area of Kent, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a primary school offering a broad and balanced curriculum.

The School aims to:

- Ensure that the School's curriculum continues to meet the needs of its students, and staff continue to aspire to the highest standards of teaching and learning in its delivery.
- Continually review the curriculum and its delivery in order to ensure that it meets the needs of its students, encourages high aspirations and enables them to fulfil their potential.
- Provide excellent CPD opportunities for all staff. Further develop the use of ICT in school to support teaching and learning and administration within school.
- Continue to develop the PSHCE provision with particular focus on health, sex, drugs, life skills and citizenship education.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2015

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

Graveney Primary School Vision

Graveney Primary School provides a positive learning community delivered through partnership which believes in the uniqueness of each child. We aim to nurture the spiritual, cultural and mental development of each individual within a caring and safe environment. We are committed to a process of continual improvement promoting aspiration, confidence and enjoyment.

Our aims for all our children at Graveney are to ensure they will:

- have high expectations of themselves and others at all times
- have respect for themselves and others in our diverse community as well as the environment
- have the confidence to work independently and collaboratively, and to embrace new challenges
- have an enthusiasm for learning which empowers them in achieving their best in all aspects of life and follow a healthy lifestyle.
- be able to reflect, evaluate and build upon their experiences at Graveney, with happiness and pride.

Our curriculum is broad, balanced, flexible, exciting and relevant, inclusive and well planned. We ensure it enables pupils to make a significant contribution to their school, their community and the wider world.

Public benefit

The Governors confirm that they have complied with the duties in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set

The public benefit of Graveney Primary School is the advancement of education within the local community.

STRATEGIC REPORT

achievement and performance

Charitable activities

The School had 105 students on roll (maximum capacity is 105).

Targets have been set for all pupils in the school. These are linked to the priorities in the school improvement plan and staff performance management targets. The school has set challenging targets this year aimed at increasing the standards achieved in both KS1 and KS2.

There are currently 9.6% of children who are on the Special Needs register. They are mainly supported through the school's provision map; this is a document for each year group that identifies individuals and groups showing their additional support. Teaching assistants are used from each class to support groups of children and individuals. Children's progress is carefully tracked using SIMs Assessment Manager. All vulnerable groups are monitored and any actions addressed through the school improvement plan.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT - continued

Key financial performance indicators

Staff costs as a percentage of total income, excluding capital grants, for the year to 31 August 2015:

Teaching and educational support staff	52.46% (2014: 51.9%)
Other support staff	11.03% (2014: 11.6%)
Total staff	63.49% (2014: 63.5%)

The Academy's accounting period covers the year to 31 August 2015.

FINANCIAL REVIEW

The majority of the School's income is obtained from the 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 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also received grants for fixed assets from the EFA and via the local authority. In accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed assets fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned

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.

Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments of the School, including future capital projects, and the nature of the reserves. The Trustees keep the level of the reserves under review.

Restricted funds (excluding restricted fixed asset funds) at 31 August 2015 show a deficit of £111,950 (2014: £89,947) this is after accounting for the deficit on the local government pension scheme. The deficit on the scheme as at 31 August 2015 was £151,000 (2014: £133,000). It should be noted however that this deficit will not crystallise in the foreseeable future and that the academy follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. This level of contributions has been taken into account when preparing the academy's budgets for the year ending 31 August 2016.

Investment policy and objectives

The School is limited to the amount of reserves that it is able to hold and in general these need to be readily accessible. The practice is, therefore, to keep any reserves in an interest bearing bank account.

Principal risks and uncertainties

The principal risk and uncertainty in respect of the School relates to the future funding available. The School mitigates this risk as far as possible by preparing budgets which are reviewed by the Trustees to ensure that the level of anticipated funding is sufficient to meet the requirements of the School. Monitoring of actual performance to budgets is undertaken monthly by the Finance Monitoring Pair and the full Governing Body. Any shortfall identified is considered by the Trustees and remedial action taken with a view to balancing the budget.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2015

FUTURE DEVELOPMENTS

The School seeks continuous improvement in its provision of education and a similar improvement in its fixed assets and its resources.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The Trustees hold no funds as custodian trustee.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The future financial and risk management objectives for the Academy include:

- Ensuring that the impact from the current tightening of funding in the public sector is fully taken into consideration when decisions about future spending are taken.

Risk management

The trustees have a duty to identify and review the risks to which the academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Measures are in place through policies and procedures to minimise those risks that can be quantified. Appropriate insurances are also in place.

AUDITORS

In so far as the Trustees are aware:

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

Approved by order of the board of trustees on 10 December 2015 and signed on its behalf by:



.....
B J Snashall - Accountant

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Graveney 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 of loss.

The board of the 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 Graveney 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 Governing body operates a "Circle Model" of governance. This method has been evaluated and implemented to ensure that the body is truly Strategic. The Governing Body works as a whole team, meeting 6 times per year, once in each term, without any separate committees. An agenda for each meeting will include all the tasks which the Governing Body is required to consider, and the Governing Body will 'commission' assignments or activities arising from the business of the meeting, which will be recorded in the minutes.

In addition to 'commissioning' activities or actions on their behalf, the Governing Body may wish to delegate monitoring activities to 'Monitoring Pairs' or individuals. This could apply to statutory functions, and/or the priorities of the School Plan.

In each case where a function has been delegated, there is a statutory duty to report any action or decision to the Governing Body at the next meeting.

The Governing Body creates an annual Strategic Focus for each academic year, each member then completes an annual self review and the Strategic document is then evaluated to ensure that the objectives have been achieved.

The Trustees' Strategic Vision Statement is included above, in the 'Objectives and Activities' section.

The Governing Body takes a strategic approach to monitoring under the 'Circle Model'. We are the critical friend to the school and ensure legal responsibilities are being adhered to by reviewing, monitoring visits and Headteacher performance monitoring. We are responsible for setting and reviewing the policies and procedures for the school.

We contribute to, and review the School Improvement Plan and Self Evaluation Forms to ensure that they are in line with the aims of the school.

We engage in dialogue with all the stakeholders for the success of the school and create a strong working relationship with the Senior Management Team by maintaining strategic focus and not interfering with operational matters.

Working Together

We believe that success is built on working together. Graveney Primary School Board of Governors works with all stakeholders for the benefit of the children, their education and the future success of the school.

Membership

Barry Snashall ~ Parent Governor ~ Chair

Responsible for: Budget Monitoring, Attainment/learning/progress, Leadership & Management, Headteacher Performance Management, AEN/CP/Safeguarding

Andrew Bowles ~ LA Governor ~ Vice Chair

Responsible for: Budget Monitoring, Leadership & Management, Parish Council contact, Health & Safety

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

Alison Blackwell ~ Headteacher Governor (Principal)
Responsible for: Teaching & Assessment, Leadership & Management

Tracey Goodsell ~ Staff Governor
Responsible for: Teaching & Assessment, Leadership & Management

Dreena Knibbs ~ Staff Governor
Responsible for: Personal Development and Wellbeing inc. ECM, Health and Safety, Leadership and Management

Russell Kitto ~ Community Governor
Responsible for: Personal Development and Wellbeing inc. ECM, Attainment/Learning/Progress, Headteacher Performance Management, Leadership and Management

Anita Memmott~ Parent Governor (resigned 20/1/15)
Responsible for: Personal Development & Wellbeing inc ECM, Leadership & Management

Sarah Dunkin ~ Staff Governor
Responsible for: Early Years Goals, Early Years, Leadership & Management, Training & Development

Vicky Keep ~ Parent Governor
Responsible for: Early Years Goals , AEN/CP/Safeguarding, Leadership & Management.

Pete Howarth ~ Parent Governor (resigned 24/9/15)
Responsible for: Learning for LDD and Progress , Leadership & Management.

Lee Suter~ Parent Governor (appointed 11/6/15)
Responsible for: AEN/CP/Safeguarding, Leadership & Management

Trustee	Meetings attended	Out of a possible
A Blackwell (headteacher)	6	6
A Bowles	3	6
S Dunkin (staff trustee)	6	6
R Kitto	4	6
D Knibbs (staff trustee)	6	6
A Memmott	2	3
T Goodsell (staff trustee)	5	6
B Snashall (chairman)	6	6
P Howarth	1	6
V Keep	4	6
L Suter	2	2

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. We are aware of the Guide to Academy Value for money Statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes in return for the taxpayer resources received.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

Review of Value for Money

I set out below how I have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

Outcomes for pupils:

Results July 2015 were as follows;

EYFS GLD	81.3%
Phonics Screen Year 1	80% (Year 2 retakes 100%)
Pupils achieving the expected standard in Year 2 (L2b+)ReadingWritingMaths	100%93%100%
Pupils achieving above the expected standard in Year 2 (L3+)ReadingWritingMaths	60%40%53%
Proportions of pupils achieving L2b+ at KS1 achieving the expected standard in combined Reading, Writing, Maths & GPS in Year 6	88.9%
Pupils achieving the expected standard in Year 6 (L4b+)ReadingWritingGPSMaths	92%92%69%92%
Pupils achieving above the expected standard in Year 6 (L5+)ReadingWritingGPSMaths	38%54%31%15%

This year saw a drop in our Level 5 pupils for Reading, Grammar Punctuation and Spelling and Maths from previous years. Our Key Stage 1 and Phonics and Foundation Stage have all remained above National and Local Averages.

Pupil Premium

There are currently 17% of pupils eligible for pupil premium funding. These are identified in monitoring our vulnerable groups. Each class teacher is provided with a list of the pupils in their class who are identified as Pupil Premium Pupils (PPP).

% of PPP achieving expected level at the end of 2015

	Reading	Writing	Maths	R & W & M
All PPP	68.4%	63.2%	63.2%	63.2%

Progress in Reading was 68.4% on track or above, progress in Reading remains stronger than in writing with not all pupils making good progress in both areas.

Progress in Maths has seen a decrease this year with the introduction of the new National Curriculum 63.2% of pupils are working at the age related expectations for the new curriculum.

All pupils achieved level 4 or above in the KS2 SATS in both English and Maths. There were no pupils in KS1 SATS this year.

Attendance of PPP was 94.85% during 2013-14, this year there has been continued improvement with pupils achieving an average of 94.95%. This has not yet reached the average of non-pupil premium pupils (97.79%) but is continuing to improve and become more in line with the whole school average of 97.34%

There are currently 9% of children who are on the Special Needs register; this continues to fall as pupil's needs are addressed through our provision. Teaching assistants are used from each class to support groups of children and individuals. Precision Teaching continues to have a positive impact on pupils progress for many of these pupils in school, pupils making accelerated progress through this intervention.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

Review of Value for Money

Quality of teaching, learning and assessment:

Thorough monitoring of teaching and learning through triangulation indicates that:

Pupils are interested, engaged and show a clear desire to learn. In lesson observations / learning walks teachers have shown that the strategy of clearly sharing steps to success to children is consistent and effective. Teachers' use of mini plenaries was effective in checking children's understanding and moving pupils learning on.

Monitoring has shown good use of technical accurate vocabulary is well utilised by pupils, there continues to be a strong focus on the teaching of phonics.

Children are articulate and relationships with staff are a strength creating a positive climate for learning. Pupils enjoy the new curriculum and good links are made to other areas of learning, this has also been praised by parents within the school where strong links have been made with homework and our curriculum.

Classrooms are well organised and there is good use of prompts to support children's learning, discussion and reflection time is utilised effectively. Evidence of new feedback and marking policy can be seen in book scrutiny's and pupils continue to enjoy improving their work using the purple pen system.

Other extracurricular activities have included a cricket and football tournaments, Local Choir Festival, Faversham Magna Carta Project and Celebrations. Our whole school educational visit this year was to The Historic Dockyard in Chatham.

Effectiveness of leadership and management:

Quality First teaching continues to improve as a direct result of targeted CPD identified through rigorous monitoring and effective performance management. Performance is linked with pay progression and professional development which is closely matched to the needs of the school and staff. All staff have completed a review of the school vision with a relentless focus on improving standards. Expectations have been raised so that teachers have a high expectation of pupils in each year group. This has resulted in a better understanding of pupil starting points and use of this information to accelerate learning further. Robust safeguarding systems continue in the school. Governor visits have taken place with them effectively challenge the school's leaders and hold them to account.

The introduction of the 'Six Steps to Monitoring Teaching and Learning Cycle' has ensured a more rigorous cycle of monitoring in place enabling pupil progress issues and appropriate interventions to be addressed appropriately and next steps followed up quickly. This has been slightly developed this term to ensure that pupil assessments are completed at the end of the term. A recent parent survey shows that 100% of the parents felt that the school is well led and managed.

Governance:

The Governing Body undertake an annual review of Governing Body performance over the year to ensure they take and maintain a strategic approach to Governance. The feedback this year has been we have developed and improved our community profile. The school has a dedicated hardworking complement of Governors who have excellent working relationship with Senior Leadership Team. Our governors make excellent use of KLZ and e-mail resulting in fast effective working. Our governors feel that they make a strong contribution to the SEF/SIP through strategic working and that the school has built successful relationships with local primary and secondary schools. This year has seen an enhanced communication with the parent body and has been another successful academic year for all cohorts.

The Governing body creates an annual Strategic focus for each academic year in line with the School Improvement plan. As a result of the June 2014 review and evaluation of the governing body performance the following objectives have been set for the 2014/15 school year:

- To ensure that the staff and governors are prepared for the change as schools move away from using levels and develop their own tracking system for pupil progress.
- To continue to monitor the use of Pupil Premium funding ensuring it is used for the maximum impact on raising pupil attainment.
- To ensure that the new school delivers a broad and balanced curriculum.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

Review of Value for Money

Ofsted Inspection

Graveney received a full inspection on 25-26 September 2013, with the following outcomes;

Overall effectiveness	Good	2
Achievement of pupils	Good	2
Quality of teaching	Good	2
Behaviour of safety of pupils	Outstanding	1
Leadership and management	Good	2

The schools key aims for outstanding:

- Enable more able pupils attain higher levels in national tests at the end of Key stages 1 and 2
- Increase pupils' attainment in reading although this is still high results had dropped since 2012
- School leaders to challenge teachers to ensure more able pupils work is challenging enough
- Teachers to give pupils clear advice about how to make their work even better.

Finance

Becoming an Academy has enabled school to have complete autonomy regarding the purchase of supplies and services which provide the very best possible value for the school.

This year through prudent budget control the school has been able to buy:

- New Interactive Clevertouch screens for all classrooms
- Revised long/medium term plans for our curriculum to enable effective cross curricular learning and improve the quality of teaching and learning.
- PE resources and professional tuition have been increased with the additional Sports Grant, this has also allowed more pupils access to swimming. All pupils in KS2 have access to free professional cycling tuition.
- Two classes have new furniture and flooring completing the refurbishment of all the classrooms.
- The remainder of the teacher areas also have new flooring.

A healthy carry forward to 15/16 will enable the refurbishment of the playground.

Audit finds year ended 31st August 15 - Found no significant issues during the course of the audit, any issues raised in the previous periods audit had been addressed.

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 on-going 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 Graveney Primary School for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 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.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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 Governing Body;
- regular reviews by the Finance Monitoring Pair 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 Pete Howarth, an external sufficiently qualified individual, to perform a range of checks on the Trust's financial systems. On a quarterly basis, he reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. In particular the checks carried out in the period included the testing and review of:

- payroll and personnel systems;
- purchase processing systems and tendering procedures;
- completeness of EFA income;
- completeness of other income;
- sales processing and debtors ledger;
- balance sheet control accounts; and
- expense claims;

Review of Effectiveness

As Accounting Officer, the Headteacher 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 internal reviewer
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Monitoring Pair 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 10 December 2015 and signed on its behalf by:



B J Snashall - Trustee



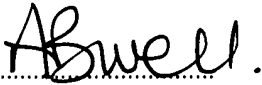
Alison Blackwell - Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Graveney Primary School I have considered my responsibility to notify the academy trust 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 trust and the Secretary of State for Education. 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 board of trustees 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 board of trustees and EFA.



.....
Alison Blackwell - Accounting Officer

Date: 10 December 2015

STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees (who act as governors of Graveney Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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 academy trust will continue in business.

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

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

In so far as the trustees are aware:

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

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

Approved by order of the board of trustees on 10 December 2015 and signed on its behalf by:



B J Snashall - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

We have audited the financial statements of Graveney 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 Accounts Direction 2014 to 2015 (SORP 2005) issued by the Education Funding Agency (EFA).

This report is made solely to the academy trust'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 trust'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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page fifteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust'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 Report of the Trustees 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 trust'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GRAVENY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

Matters on which we are required to report by exception

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

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



Liam McHugh ACA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 10 December 2015

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE) AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 October 2015 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014 to 2015 (SORP 2005), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Graveney Primary School during the period 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 Graveney Primary School (A Company Limited by Guarantee) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Graveney Primary School (A Company Limited by Guarantee) and the 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 Graveney Primary School (A Company Limited by Guarantee) and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Graveney Primary School's funding agreement with the Secretary of State for Education 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 (SORP 2005). We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 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 (SORP 2005) issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

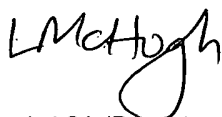
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE) AND THE EDUCATION FUNDING AGENCY

The work undertaken to draw to our conclusion includes a review of the following:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the responsible officer during the period;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between Graveney Primary School and the Secretary of State and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

Conclusion

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



Liam McHugh ACA (Reporting Accountant)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 10 December 2015

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2015

					31.8.15	31.8.14
		Unrestricted fund	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	Notes	£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	8,956	-	-	8,956	3,780
Activities for generating funds	3	19,494	-	-	19,494	16,649
Investment income	4	105	-	-	105	103
Incoming resources from charitable activities						
Academy's educational operations	5	-	508,566	5,113	513,679	507,353
Total incoming resources		28,555	508,566	5,113	542,234	527,885
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising trading: cost of goods sold and other costs	7	22,541	5,206	-	27,747	13,978
Charitable activities						
Academy's educational operations	8	64	500,805	35,863	536,732	490,560
Governance costs	9	-	6,400	-	6,400	6,400
Total resources expended	6	22,605	512,411	35,863	570,879	510,938
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS						
		5,950	(3,845)	(30,750)	(28,645)	16,947
Gross transfers between funds	19	(3,000)	(12,158)	15,158	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		2,950	(16,003)	(15,592)	(28,645)	16,947
Other recognised gains/losses						
Actuarial gains/losses on defined benefit schemes		-	(6,000)	-	(6,000)	63,000
Net movement in funds		2,950	(22,003)	(15,592)	(34,645)	79,947

The notes form part of these financial statements

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2015

				31.8.15	31.8.14	
	Notes	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £	Total funds £
RECONCILIATION OF FUNDS						
Net movement in funds		2,950	(22,003)	(15,592)	(34,645)	79,947
Total funds brought forward		28,140	(89,947)	1,262,337	1,200,530	1,120,583
TOTAL FUNDS CARRIED FORWARD		31,090	(111,950)	1,246,745	1,165,885	1,200,530

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE) (REGISTERED NUMBER: 07847021)

BALANCE SHEET
AT 31 AUGUST 2015

	Notes	31.8.15 £	31.8.14 £
FIXED ASSETS			
Tangible assets	13	1,246,746	1,262,336
CURRENT ASSETS			
Debtors	14	12,229	16,669
Cash at bank		<u>88,325</u>	<u>89,968</u>
		100,554	106,637
CREDITORS			
Amounts falling due within one year	15	<u>(30,415)</u>	<u>(35,443)</u>
NET CURRENT ASSETS		<u>70,139</u>	<u>71,194</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,316,885	1,333,530
PENSION LIABILITY	20	<u>(151,000)</u>	<u>(133,000)</u>
NET ASSETS		<u><u>1,165,885</u></u>	<u><u>1,200,530</u></u>
FUNDS	19		
Unrestricted funds		31,090	28,140
Restricted fixed asset funds		1,246,746	1,262,337
Restricted funds		39,049	43,053
Pension fund		<u>(151,000)</u>	<u>(133,000)</u>
TOTAL FUNDS		<u><u>1,165,885</u></u>	<u><u>1,200,530</u></u>

These financial statements on pages twenty to forty two were approved by the Board of Trustees on 10 December 2015 and were signed on its behalf by:



 A Blackwell - Trustee

The notes form part of these financial statements

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

		31.8.15	31.8.14
	Notes	£	£
Net cash inflow from operating activities	1	13,474	56,021
Returns on investments and servicing of finance	2	41	39
Capital expenditure and financial investment	2	(15,158)	(16,705)
		<u> </u>	<u> </u>
(Decrease)/increase in cash in the period		<u>(1,643)</u>	<u>39,355</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/increase in cash in the period		<u>(1,643)</u>	<u>39,355</u>
Change in net debt resulting from cash flows		<u>(1,643)</u>	<u>39,355</u>
Movement in net debt in the period		(1,643)	39,355
Net debt at 1 September		<u>89,968</u>	<u>50,613</u>
Net debt at 31 August		<u>88,325</u>	<u>89,968</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

1. RECONCILIATION OF NET (OUTGOING)\INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.8.15	31.8.14
	£	£
Net (outgoing)\incoming resources	(28,645)	16,947
Depreciation charges	35,862	31,775
Capital grants from DfE/EFA	(5,114)	(5,181)
Interest received	(105)	(103)
Interest paid	64	64
Decrease in debtors	4,440	2,896
Decrease in creditors	(5,028)	(3,377)
Difference between pension charge and cash contributions	<u>12,000</u>	<u>13,000</u>
Net cash inflow from operating activities	<u>13,474</u>	<u>56,021</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.8.15	31.8.14
	£	£
Returns on investments and servicing of finance		
Interest received	105	103
Interest paid	<u>(64)</u>	<u>(64)</u>
Net cash inflow for returns on investments and servicing of finance	<u>41</u>	<u>39</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(20,272)	(21,886)
Capital grants from DfE/EFA	<u>5,114</u>	<u>5,181</u>
Net cash outflow for capital expenditure and financial investment	<u>(15,158)</u>	<u>(16,705)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.14	Cash flow	At 31.8.15
	£	£	£
Net cash:			
Cash at bank	89,968	(1,643)	88,325
	<u> </u>	<u> </u>	<u> </u>
Total	<u>89,968</u>	<u>(1,643)</u>	<u>88,325</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

Basis of preparation

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

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 company 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. Having reviewed budget forecasts and the letter of funding issued by the EFA, the Governors are confident that the use of going concern is appropriate.

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.

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.

Donated goods, facilities and services

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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES - continued

Resources expended

All 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.

Cost of generating funds

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

Charitable activities

These are costs incurred on the Academy'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.

Allocation and apportionment of costs

Charitable activities are those costs incurred directly in the provision of education. These are split between direct costs and support costs. Direct costs are those which are attributable to the provision of education and support costs are costs in support of expenditure of the provision of education.

Costs of generating funds are those costs incurred in the provision of activities and services ancillary to the provision of education.

Where costs cannot be directly attributed to particular headings they have been allocated to activities 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- straight line over 50 years and Straight line over 125 years
Plant and machinery etc	- straight line over 5 years and straight line over 4 years

Assets are capitalised on a case by case basis, after consideration by the Governors. Once capitalised, tangible fixed assets 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.

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

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

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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals in respect of operating leases are charged to the Statement of Financial Activities in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES - continued

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy trust.

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

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

Leasehold property

The land and buildings from which the academy operates are leased from Kent County Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the lease the risks and rewards of ownership have been substantially transferred to Graveney Primary School and accordingly to reflect its use, the value of the property has been included in fixed assets with an appropriate credit to voluntary income within the restricted fixed asset fund. The property was valued at depreciated replacement cost by professional valuers who specialise in public sector property valuation. The valuation was specifically carried out in accordance with the capital accounting requirements of the Charities SORP 2005.

2. VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	31.8.15 Total funds	31.8.14 Total funds
	£	£	£	£
Donations	<u>8,956</u>	<u>-</u>	<u>8,956</u>	<u>3,780</u>
	<u>8,956</u>	<u>-</u>	<u>8,956</u>	<u>3,780</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	31.8.15 Total funds £	31.8.14 Total funds £
After school club	4,561	-	4,561	4,337
Music lessons	3,233	-	3,233	2,214
Contribution to visit	5,060	-	5,060	1,530
Hire of facilities	1,160	-	1,160	1,127
Catering income	<u>5,480</u>	<u>-</u>	<u>5,480</u>	<u>7,441</u>
	<u>19,494</u>	<u>-</u>	<u>19,494</u>	<u>16,649</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.15 Total funds £	31.8.14 Total funds £
Deposit account interest	<u>105</u>	<u>-</u>	<u>105</u>	<u>103</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.15 Total funds £	31.8.14 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	447,891	447,891	468,789
Other DfE/EFA grants	<u>-</u>	<u>50,802</u>	<u>50,802</u>	<u>30,724</u>
	-	498,693	498,693	499,513
DfE/EFA capital grant				
Devolved Capital Grant	-	5,113	5,113	5,181
Other government grant				
Local Authority grants	-	9,873	9,873	-
Music grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>392</u>
	-	9,873	9,873	392
Non government grants				
Non-government sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,267</u>
	<u>-</u>	<u>513,679</u>	<u>513,679</u>	<u>507,353</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

6. RESOURCES EXPENDED

				31.8.15	31.8.14
	Staff costs	Non-pay expenditure			
	£	Premises	Other costs	Total	Total
		£	£	£	£
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	3,233	-	24,514	27,747	13,978
Charitable activities					
Academies educational operations					
Direct costs	267,830	17,344	50,513	335,687	310,277
Allocated support costs	89,240	57,145	54,660	201,045	180,283
	360,303	74,489	129,687	564,479	504,538
Governance costs including allocated support costs	-	-	6,400	6,400	6,400
	<u>360,303</u>	<u>74,489</u>	<u>136,087</u>	<u>570,879</u>	<u>510,938</u>

Net resources are stated after charging/(crediting):

	31.8.15	31.8.14
	£	£
Auditors' remuneration	5,100	5,100
Depreciation - owned assets	<u>35,862</u>	<u>31,775</u>

7. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

			31.8.15	31.8.14
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Purchases	22,311	1,973	24,284	10,391
Staff costs	-	3,233	3,233	2,214
Pupil related activities	-	-	-	1,110
Other expenses	230	-	230	263
	<u>22,541</u>	<u>5,206</u>	<u>27,747</u>	<u>13,978</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.15 Total funds £	31.8.14 Total funds £
Direct costs				
Teaching and educational support staff	-	267,830	267,830	261,182
Depreciation	-	27,587	27,586	24,686
Technology costs	-	15,094	15,095	12,392
Educational supplies	-	25,176	25,176	12,017
	-	335,687	335,687	310,277
Allocated support costs				
Support staff costs	-	89,240	89,240	86,675
Depreciation	-	8,276	8,276	7,089
Technology costs	-	8,927	8,927	5,640
Recruitment and support	-	110	110	142
Maintenance of premises and equipment	-	32,112	32,112	7,976
Cleaning	-	1,439	1,439	2,391
Rent and rates	-	4,222	4,222	4,471
Energy costs	-	7,625	7,625	6,539
Insurance	-	6,015	6,015	6,978
Security and transport	-	9,592	9,592	7,395
Catering	-	414	414	540
Interest payable and similar charges	64	-	64	64
Other support costs	-	33,009	33,009	44,383
	64	200,981	201,045	180,283
	<u>64</u>	<u>536,668</u>	<u>536,732</u>	<u>490,560</u>

9. GOVERNANCE COSTS

	Unrestricted funds £	Restricted funds £	31.8.15 Total funds £	31.8.14 Total funds £
Auditors' remuneration	-	5,100	5,100	5,100
Auditors' remuneration for non-audit work	-	1,300	1,300	1,300
	-	6,400	6,400	6,400

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

10. TRUSTEES' REMUNERATION AND BENEFITS

The Principal and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal 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 the Governors' remuneration was as follows:

Alison Blackwell (principal and staff trustee)		
Remuneration	£45,000 - £50,000	(2014: £40,000 - £45,000)
Employer's pension contributions	£5,000 - £10,000	(2014: £5,000 - £10,000)
Dreena Knibbs (staff trustee)		
Remuneration	£35,000 - £40,000	(2014: £35,000 - £40,000)
Employer's pension contributions	£5,000 - £10,000	(2014: £5,000 - £10,000)
Sarah Dunkin (staff trustee)		
Remuneration	£10,000 - £15,000	(2014: £10,000 - £15,000)
Employer's pension contributions	£0 - £5,000	(2014: £0 - £5,000)
Tracey Goodsell (staff trustee)		
Remuneration	£30,000 - £35,000	(2014: £30,000 - £35,000)
Employer's pension contributions	£5,000 - £10,000	(2014: £5,000 - £10,000)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2015 nor for the year ended 31 August 2014.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

11. STAFF COSTS

	31.8.15	31.8.14
	£	£
Wages and salaries	286,043	279,137
Social security costs	19,153	17,934
Other pension costs	<u>39,363</u>	<u>40,627</u>
	344,559	337,698
Supply teacher costs	5,744	6,373
FRS17 pension adjustment	<u>10,000</u>	<u>6,000</u>
	<u>360,303</u>	<u>350,071</u>

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

	31.8.15	31.8.14
Teaching and educational support	7	7
Administration and support	2	2
Management	<u>2</u>	<u>2</u>
	<u>11</u>	<u>11</u>

No employees received emoluments in excess of £60,000.

12. TRUSTEES' 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 cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

13. TANGIBLE FIXED ASSETS

	Leasehold property £	School equipment etc £	Totals £
COST			
At 1 September 2014	1,288,594	41,158	1,329,752
Additions	-	20,272	20,272
At 31 August 2015	<u>1,288,594</u>	<u>61,430</u>	<u>1,350,024</u>
DEPRECIATION			
At 1 September 2014	56,409	11,007	67,416
Charge for year	<u>22,546</u>	<u>13,316</u>	<u>35,862</u>
At 31 August 2015	<u>78,955</u>	<u>24,323</u>	<u>103,278</u>
NET BOOK VALUE			
At 31 August 2015	<u>1,209,639</u>	<u>37,107</u>	<u>1,246,746</u>
At 31 August 2014	<u>1,232,185</u>	<u>30,151</u>	<u>1,262,336</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.15 £	31.8.14 £
Trade debtors	-	1,515
Other debtors	<u>12,229</u>	<u>15,154</u>
	<u>12,229</u>	<u>16,669</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.15 £	31.8.14 £
Trade creditors	20,467	18,118
Other creditors	<u>9,948</u>	<u>17,325</u>
	<u>30,415</u>	<u>35,443</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	31.8.15	31.8.14
	£	£
Expiring:		
Within one year	870	1,161
Between one and five years	-	870
	<u>870</u>	<u>2,031</u>

17. MEMBERS' LIABILITY

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.8.15	31.8.14
	Unrestricted fund	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	£	£	£	£	£
Fixed assets	-	-	1,246,746	1,246,745	1,262,336
Current assets	31,090	69,464	-	100,554	106,637
Current liabilities	-	(30,415)	-	(30,415)	(35,443)
Pension liability	-	(151,000)	-	(151,000)	(133,000)
	<u>31,090</u>	<u>(111,951)</u>	<u>1,246,746</u>	<u>1,165,885</u>	<u>1,200,530</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

19. MOVEMENT IN FUNDS

	At 1.9.14 £	Net movement in funds £	Transfers between funds £	At 31.8.15 £
Unrestricted funds				
Unrestricted funds	28,140	5,950	(3,000)	31,090
Restricted funds				
General Annual Grant	43,053	8,154	(12,158)	39,049
Pension reserve	<u>(133,000)</u>	<u>(18,000)</u>	<u>-</u>	<u>(151,000)</u>
	<u>(89,947)</u>	<u>(9,846)</u>	<u>(12,158)</u>	<u>(111,951)</u>
Restricted fixed asset funds				
Transfer of property	1,218,296	(22,266)	-	1,196,030
DfE/EFA capital grants	41,265	(7,711)	15,158	48,712
Donations of other assets	<u>2,776</u>	<u>(772)</u>	<u>-</u>	<u>2,004</u>
	<u>1,262,337</u>	<u>(30,749)</u>	<u>15,158</u>	<u>1,246,746</u>
Total restricted funds	<u>1,172,390</u>	<u>(40,595)</u>	<u>-</u>	<u>1,134,795</u>
TOTAL FUNDS	<u>1,200,530</u>	<u>(34,645)</u>	<u>-</u>	<u>1,165,885</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted funds	28,555	(22,605)	-	5,950
Restricted funds				
General Annual Grant	447,201	(439,047)	-	8,154
Other DfE/EFA grants	50,802	(50,802)	-	-
Other government grants	690	(690)	-	-
Other income	9,873	(9,873)	-	-
Pension reserve	<u>-</u>	<u>(12,000)</u>	<u>(6,000)</u>	<u>(18,000)</u>
	<u>508,566</u>	<u>(512,412)</u>	<u>(6,000)</u>	<u>(9,846)</u>
Restricted fixed asset funds				
Transfer of property	-	(22,266)	-	(22,266)
DfE/EFA capital grants	5,113	(12,824)	-	(7,711)
Donations of other assets	<u>-</u>	<u>(772)</u>	<u>-</u>	<u>(772)</u>
	<u>5,113</u>	<u>(35,862)</u>	<u>-</u>	<u>(30,749)</u>
Total restricted funds	<u>513,679</u>	<u>(548,274)</u>	<u>(6,000)</u>	<u>(40,595)</u>
TOTAL FUNDS	<u>542,234</u>	<u>(570,879)</u>	<u>(6,000)</u>	<u>(34,645)</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

19. MOVEMENT IN FUNDS - continued

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Other restricted general funds

Funding is provided by Government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

Restricted fixed asset funds

Funding is provided by way of Government grants or capital expenditure from the GAG in order to acquire specified fixed assets for use by the Academy in achieving its educational objectives.

A one-off transfer of buildings and other fixed assets previously in use by Graveney Primary School occurred upon conversion to an Academy.

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the Academy.

Transfers between funds

A total of £15,158 was transferred to Restricted Fixed Asset funds from GAG, and Other Restricted Funds in order to cover the cost of capital expenditure carried out during the year.

20. 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 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 was 31 March 2012 and of the LGPS 31 March 2013.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

20. PENSION AND SIMILAR OBLIGATIONS – continued

Teachers' pension scheme

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 employer pension costs paid to TPS in the period amounted to £27,182 (2014: £26,871).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

20. 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 2015 was £25,000 (2014: £27,000), of which employer's contributions totalled £19,000 and employees' contributions totalled £6,000 (2014: £21,000 and £6,000). The agreed employer contribution rate for the current year is 19% rising to 19.8% in April 2016 and between 2.75% - 12.5% for employees.

The LGPS obligation relates to the employees of the academy trust, who were employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme since that date. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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 amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.15	31.8.14
	£	£
Present value of funded obligations	(360,000)	(313,000)
Fair value of plan assets	<u>209,000</u>	<u>180,000</u>
	<u>(151,000)</u>	<u>(133,000)</u>
Deficit	<u>(151,000)</u>	<u>(133,000)</u>
Liability	<u>(151,000)</u>	<u>(133,000)</u>

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

	Defined benefit pension plans	
	31.8.15	31.8.14
	£	£
Current service cost	29,000	27,000
Interest cost	13,000	15,000
Expected return	<u>(11,000)</u>	<u>(8,000)</u>
	<u>31,000</u>	<u>34,000</u>
Actual return on plan assets	<u>4,000</u>	<u>32,000</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

20. PENSION AND SIMILAR OBLIGATIONS – continued

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £43,000 gain (2014: £49,000).

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.15	31.8.14
	£	£
Defined benefit obligation	(313,000)	(304,000)
Current service cost	(29,000)	(27,000)
Contributions by scheme participants	(6,000)	(6,000)
Interest cost	(13,000)	(15,000)
Actuarial losses/(gains)	<u>1,000</u>	<u>39,000</u>
	<u>(360,000)</u>	<u>(313,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.15	31.8.14
	£	£
Fair value of scheme assets	180,000	121,000
Contributions by employer	19,000	21,000
Contributions by scheme participants	6,000	6,000
Expected return	11,000	8,000
Actuarial gains/(losses)	<u>(7,000)</u>	<u>24,000</u>
	<u>209,000</u>	<u>180,000</u>

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

	Defined benefit pension plans	
	31.8.15	31.8.14
Equities	68%	69%
Equities	1%	1%
Bonds	11%	12%
Property	13%	10%
Cash	3%	4%
Target return portfolio	4%	4%

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

20. PENSION AND SIMILAR OBLIGATIONS - continued

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

	31.8.15	31.8.14
Discount rate	3.9%	3.9%
Expected return on scheme assets	6%	6%
Future salary increases	4.4%	4.4%
Future pension increases	2.6%	2.6%
CPI Increases	2.6%	2.6%
RPI Increases	3.5%	3.4%
Commutation of pension to lump sums	50%	50%

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

	31.8.15	31.8.14
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

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	353,000	360,000	367,000
Projected service cost	29,000	30,000	31,000
Adjustment to mortality age rating assumption	+ 1 year	None	- 1 year
Present value of total obligation	369,000	360,000	351,000
Projected service cost	31,000	30,000	29,000

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

20. PENSION AND SIMILAR OBLIGATIONS – continued

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

	31.8.15 £	31.8.14 £	31.8.13 £
Defined benefit pension plans			
Defined benefit obligation	(360,000)	(313,000)	(304,000)
Fair value of scheme assets	209,000	180,000	121,000
Deficit	(151,000)	(133,000)	(183,000)
Experience adjustments on scheme liabilities	-	56,000	-
Experience adjustments on scheme assets	-	24,000	10,000

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

	Fair value at 31 August 2015£	Fair value at 31 August 2014£
Equities	142,000	123,000
Gilts	2,000	2,000
Other bonds	23,000	21,000
Property	28,000	18,000
Cash	5,000	8,000
Target return portfolio	<u>9,000</u>	<u>8,000</u>
Total market value of assets	209,000	180,000
Present value of scheme liabilities		
- Funded	<u>(360,000)</u>	<u>(313,000)</u>
Deficit in the scheme	<u>(151,000)</u>	<u>(133,000)</u>

21. RELATED PARTY DISCLOSURES

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 member of the board of Trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

My Music is a company which Mrs Anita Memmott, a Trustee who resigned during the year, wholly owns with her husband.

Transactions totalling £7,107 (2014: £6,332), relating to the provision of music lessons took place in the period. There were no amounts outstanding at 31 August 2015 (2014 £nil).

The Governing Body as a whole was reimbursed £nil (2014: £nil) in expenses relating to a staff function during the period.