

Registered number: 08702056

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

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KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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KIRBY MUXLOE PRIMARY SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014**

Members

Peter Waite, Chair
David Thomas
Kerrie Grant

Trustees

Peter Waite, Chair^{1,2}
David Thomas^{1,2}
Kerrie Grant, Chair of Resources Committee^{1,2}
Lorraine Biddle¹
Timothy Dawson¹
David Jackson
Nathan Lucas¹
Chris Woodall
Rosemary Stead, Staff Trustee¹
Elliot Howles, Headteacher and Accounting Officer¹
Kate Austen (appointed 9 July 2014)¹
Stephen Bell (resigned 12 February 2014)

¹ Resources Committee

² Member

Company registration number

08702056

Principal and registered office

Kirby Muxloe Primary School
Barwell Road
Kirby Muxloe
Leicester
LE9 2AA

Senior management team

Elliot Howles, Headteacher
Nicholas Holt, Deputy Headteacher
Sharon Jackson, Assistant Headteacher
Vanessa Yardley, Business Manager
Michelle Tobin, Phase 3 Leader
Chris Hulbert, Phase 2 Leader
Helene Fisher, Inclusion Leader

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

Administrative details (continued)

Independent auditor

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

Lloyds Bank
145 Narborough Road
Leicester
LE3 0PB

Solicitors

Howes Percival Solicitors
3 Osiers Business Centre
Leicester
LE19 1DX

KIRBY MUXLOE PRIMARY SCHOOL
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2014

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 November 2013 to 31 August 2014. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Kirby Muxloe. It has a pupil capacity of 387 and had a roll of 397 in the school census on 2 October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

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

The Trustees of Kirby Muxloe Primary School are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Kirby Muxloe Primary School.

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

TRUSTEES' INDEMNITIES

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the period was £1,258.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Board of Trustees of Kirby Muxloe Primary School is constituted as laid down in its Articles of Association and is made up of not less than three Trustees but has no stated maximum. All Trustees, other than the Headteacher, serve for a term of four years after which they are required to be re-elected/re-appointed.

New Trustees are appointed by the Members after consultation with the Board of Trustees and an assessment of skills required or by election, for Staff and Parent Trustees.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

We expect all Trustees to undertake training as appropriate to their work at the school. The training and induction for new Trustees will depend on their existing experience and will be tailored specifically to the needs of the individual. Where necessary, induction will provide training on charity, educational, legal and finance matters. All new Trustees are given a tour of the Academy and are provided with minutes, accounts, budgets, plans, handbook and other documents needed to undertake their role. The Academy subscribes to the Governor Development Service (provided by the local authority) and the National Governors' Association.

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

Where a training need is identified, the appropriate training is procured which may be on site, on-line or by attendance at an external event. A log is kept of all Trustees training and reviewed on a regular basis.

ORGANISATIONAL STRUCTURE

The Trustees agree the strategic direction for the school, hold the Headteacher to account for the educational performance of the school and its pupils and have oversight of the school's finances. A scheme of delegation, which is regularly reviewed, sets out the levels for decision making.

The day-to-day running of the school is delegated to the Headteacher, supported by senior staff. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Leadership Team. The day-to-day administration is undertaken within the policies and procedures approved by the Trustees with major expenditure and other significant decisions being referred to the Trustees in line with the agreed policies and procedures.

The clerk to the Trustees is responsible for arranging meetings, supporting the work of the Trustees, the preparation of agendas and the review of matters arising. The School Business Manager is responsible for the preparation of accounts for the Resources Committee. The Headteacher oversees the recruitment of all educational staff and is a Trustee, Principal Accounting Officer and attends all Board of Trustee and Resources Committee meetings. The School Business Manager attends all Resources Committee meetings and any other meetings as required.

All Trustees give their time freely and no expenses were paid in the year.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The school is a member of the 'Symphony Primary Schools Partnership' which is a group of primary schools which work together to share knowledge, experience and expertise between its members and promote school improvement. This partnership aims to provide its members with the support, challenge and networks previously provided through the local authority including Headteacher meetings, subject coordinator meetings and meetings for Chairs of Trustees to share good practice.

Enrich is a collaboration between the local primary schools who are the feeder schools for the local high school and college. There are two main aims of the partnership: to provide enrichment opportunities across the schools and age ranges for pupils and to provide a highly effective transition programme for pupils in Year 6.

The Headteacher is a member of these two local partnerships and regularly attends a range of local and county-wide meetings to enable him to keep up to date with current educational policies and practice and network with other schools to share expertise, knowledge and experience.

OBJECTIVES AND ACTIVITIES

OBJECTIVES AND AIMS

The Academy Trust's objects are set in full in the Articles of Association, but in summary are:

- To advance, for public benefit, education through the operation of Kirby Muxloe Primary School to provide a broad and balanced curriculum offering the best education it can for pupils of different abilities between the ages of 4 and 11 years; and
- To provide recreational facilities for improving the condition of life.

KIRBY MUXLOE PRIMARY SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

The main aims of the Academy are summarised below;

- To ensure that every child enjoys the same quality of education in terms of resourcing, tuition and care;
- To raise the standards of educational achievement of all pupils;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Academy, with the cooperation and support of parents, staff and Trustees, is committed to being a caring and inclusive school. We aim to deliver a world class education where learning and teaching are exciting, challenging and creative, within a safe, secure, nurturing environment. We endeavour to promote self-esteem, independence and self-motivation. We aim to assist pupils in developing the skills to become independent, life-long learners who will succeed and contribute responsibly in the global community.

At Kirby Muxloe Primary School we have worked hard during 2013/14 to further improve the quality of education on offer.

This has included:

- The creation of a new curriculum ready for the 2014/15 academic year;
- Working collaboratively with local schools to create a new assessment system ready for the 2014/15 academic year;
- The further development of in-house training to further improve the consistency of high quality teaching;
- The upgrading of ICT equipment to support teaching and learning;
- The refocusing of Pupil Premium and Sports Premium money on specific staff to improve provision and outcomes in these areas;
- The setting of the school's own meals service ready for the 2014/15 academic year to improve the standard and value of food for pupils at the school; and
- Whole school fund raising events for a variety of causes.

PUBLIC BENEFIT

Public benefit is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate that its aims are for the public benefit if it is to be recognised, and registered, as a charity in England and Wales.

The aims and objectives of Kirby Muxloe Primary School are outlined in the section above but in ensuring the school focuses upon these aims, the following has been taken into consideration by the Board of Trustees:

- The beneficiaries must be appropriate to the aims - where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted;
- People in poverty must not be excluded from the opportunity to benefit; and
- Any private benefits must be incidental.

These principles underline the work undertaken at Kirby Muxloe Primary School and, through monitoring and evaluation of procedures and policies, the Board of Trustees ensure that the Academy has complied with its duties.

The Academy's catchment area encompasses a 'mixed' catchment area; children from private and council housing are within our catchment area. First-time admissions to the school remain the decision of Leicestershire Local Authority and are based upon the Local Authority Admissions Policy.

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

The OfSTED rating as a 'Good' school remains in place and the continual improvements in academic progress ensure our pupils benefit from the education we provide.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The school has maintained its status as a very good school and improved well over the last academic year. Leadership is fully focused on achievement and is backed up by clear actions that have demonstrated improvement in achievement and teaching quality. Capacity for improvement remains good. The behaviour and safety of pupils is at least good with many instances of outstanding. The quality of teaching is mostly good and increasingly outstanding. Pupils' work and data indicate that teaching over time is generally at least good. Most children (including groups) make at least good progress with many making outstanding progress. Attainment is broadly high. The effectiveness of the early years is good, bordering on outstanding. The environment and quality of teaching is mostly outstanding in character. Very many children make good progress.

KEY FINANCIAL PERFORMANCE INDICATORS

Year R 2013/14 - End of Foundation Stage Attainment

Area of Learning	All Pupils 2013 (62)	All Pupils 2014 (55)	Boys 2013 (36)	Boys 2014 (31)	Girls 2013 (26)	Girls 2014 (24)
Total average points (LA average in brackets)	31.7 (32.4)	34.2 (33.9)	31.0 (31.3)	32.9 (32.8)	32.7 (33.5)	35.9 (35.1)
Percentage of pupils with good learning development (LA average in brackets)	41.9% (46.4)	67.3% (58.3)	33.3% (39.5%)	54.8% (50.2%)	53.8% (53.9%)	83.3% (66.9%)

Year 2 2013/14 - End of Key Stage 1 Achievement
Reading

	% at L2c+ (national 2013)	% at L2b+ (national 2013)	% at L3+ (national 2013)	APS (national 2013)
2014	93% (89%)	83% (79%)	31% (29%)	17.0 (16.3)
2013	95% (89%)	87% (79%)	38% (29%)	17.5 (16.3)

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

Writing

	% at L2c+ (national 2013)	% at L2b+ (national 2013)	% at L3+ (national 2013)	APS (national 2013)
2014	95% (85%)	74% (67%)	19% (15%)	15.9 (14.9)
2013	95% (85%)	80% (67%)	28% (15%)	16.5 (14.9)

Maths

	% at L2c+ (national 2013)	% at L2b+ (national 2013)	% at L3+ (national 2013)	APS (national 2013)
2014	95% (91%)	90% (78%)	33% (23%)	17.4 (16.1)
2013	93% (91%)	88% (78%)	27% (23%)	16.9 (16.1)

Year 6 2013/14 - End of Key Satge 2 Achievement

Reading

	% at L4+ (national 2013)	% at L5+ (national 2013)	% at L6 (national 2013)	% 2 Levels Progress (national 2013)	% 3 Levels Progress (national 2013)	APS (national 2013)
2014	93% (86%)	73% (44%)	0%	95% (88%)	51% (30%)	30.8 (28.5)
2013	89% (86%)	50% (44%)	0% (0%)	93% (88%)	30% (30%)	29.2 (28.5)

Writing

	% at L4+ (national 2013)	% at L5+ (national 2013)	% at L6 (national 2013)	% 2 Levels Progress (national 2013)	% 3 Levels Progress (national 2013)	APS (national 2013)
2014	96% (83%)	48% (30%)	0%	98% (91%)	49% (30%)	29.4 (27.5)
2013	92% (83%)	29% (30%)	0% (2%)	95% (91%)	14% (30%)	28.3 (27.5)

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

English - Grammar Punctuation & Spelling

	% at L4+ (national 2013)	% at L5+ (national 2013)	% at L6 (national 2013)	% 2 Levels Progress (national 2013)	% 3 Levels Progress (national 2013)	APS (national 2013)
2014	98% (74%)	80% (47%)	5% (2%)	N/A	N/A	31.8 (28.0)
2013	71% (74%)	53% (47%)	3% (2%)	N/A	N/A	28.6 (28.0)

Maths

	% at L4+ (national 2013)	% at L5+ (national 2013)	% at L6 (national 2013)	% 2 Levels Progress (national 2013)	% 3 Levels Progress (national 2013)	APS (national 2013)
2014	98% (85%)	64% (41%)	11% (6%)	95 (88%)	47% (31%)	31.2 (28.7)
2013	100% (85%)	39% (41%)	3% (6%)	100% (88%)	24% (31%)	29.5 (28.7)

GOING CONCERN

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

FINANCIAL REVIEW

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy Trust practices through its Board of Trustees and the Resources Committee, risk management principles and have approved a Risk Policy. Any major risks highlighted at any meeting are brought to the Board of Trustees with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by senior executive officers.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Service as internal auditor.

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

The internal auditor's role includes giving advice on financial matters concerning risk and internal control and performing a range of checks on the Academy Trust's financial systems. On an annual basis, following the annual site visit to the Academy, the internal auditor reports to the Board of Trustees through the Resources Committee, on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. The Board of Trustees is responsible for agreeing an action plan and monitoring that the action plan is successfully implemented.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Academy are included in the Risk Register and Management Plan and include:

- Strategic and Reputational Risks
- Operational Risks
- Compliance Risks
- Financial Risks

Control measures are in place to manage the identified risks, the key risks being that of reduced pupil numbers that affect the level of funding and future Government cuts. Active promotion of the Academy is maintained and budgets monitored carefully over a 3 year period to manage any reduction in funding.

RESERVES POLICY

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

The Board of Trustees has agreed a policy on the level of reserves, and monitors the reserve levels of the Academy in Resources Committee meetings. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £32,000.

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

INVESTMENTS POLICY

The School Business Manager prepares, and regularly reviews, a cash flow forecast and monitors the cash flow and bank account on a weekly basis to ensure that the immediate financial commitments of payroll and payments can be met and the Academy has adequate balances to meet planned future commitments.

The Academy's current Investment Policy is to only invest in risk free deposit accounts as set out in the Financial Manual. The Policy is reviewed annually.

At present the Academy does not hold significant funding to warrant additional investment. The end of year balance is held within our main school bank account.

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

PLANS FOR THE FUTURE

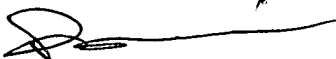
The overarching aim of this school over the next 3 years is to develop from a good school to an excellent school. Underpinning this will be a drive for greater consistency and an increase of regular excellence in all areas of school life.


DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2014 and signed on the board's behalf by:


.....
Peter Waite
Chair of Trustees


.....
Elliot Howles
Accounting Officer

KIRBY MUXLOE PRIMARY SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Kirby Muxloe Primary School and the Secretary of State for Education. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The Board of Trustees has formally met 5 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Peter Waite, Chair	5	5
David Thomas	5	5
Kerrie Grant	3	5
Lorraine Biddle	5	5
Timothy Dawson	4	5
David Jackson	3	5
Nathan Lucas	5	5
Chris Woodall	5	5
Rosemary Stead, Staff Trustee	5	5
Elliot Howles, Headteacher and Accounting Officer	5	5
Stephen Bell	2	2

Governance reviews:

The Accounting Officer completed the Financial Management and Governance Self-Assessment during the year and has addressed the minor changes required.

The Board of Trustees intends to conduct another self-evaluation review during the forthcoming year.

The Resources Committee is a Committee of the Board of Trustees and encompasses the functions of an Audit Committee. Its purpose is:

To assist the decision making of the Academy Trust, by enabling more detailed consideration to be given to the best means of fulfilling the Academy Trust's responsibility to ensure sound management of the Academy's resources; property, staffing and finances, including proper planning, monitoring and probity.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Kerrie Grant, Chair	5	5
David Thomas	5	5
Tim Dawson	4	5
Nathan Lucas	5	5
Peter Waite	4	5
Elliot Howles, Headteacher and Accounting Officer	5	5
Lorraine Biddle	4	5
Vanessa Yardley, Business Manager	5	5

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Kirby Muxloe Primary School for the period 1 November 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 1 November 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the 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 and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Services as internal auditor.

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GOVERNANCE STATEMENT (continued)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The latest internal audit visit was in April 2014, matters identified following the audit visits have been rectified following the auditors recommendations.

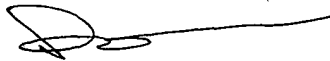
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher 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 internal auditor, Leicestershire County Council;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the members within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has reviewed the report of the system of internal control 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 9 December 2014 and signed on its behalf, by:



Peter Waite
Chair of Trustees



Elliot Howles
Accounting Officer


KIRBY MUXLOE PRIMARY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



.....
Elliot Howles
Accounting Officer

9 December 2014

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

The Trustees (who act as Governors of Kirby Muxloe Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law.

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

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

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

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

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

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


.....
Peter Waite
Chair of Trustees

9 December 2014

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF KIRBY MUXLOE PRIMARY SCHOOL

We have audited the financial statements of Kirby Muxloe Primary School for the period ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy's Trustees, 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 Trustees those matters we are required to state to them in an Auditor's 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 Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the 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 Trustees' Report, incorporating the Strategic Report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF KIRBY MUXLOE PRIMARY SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the 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.

Robert Nelson BA FCA DChA (Senior Statutory Auditor)
for and on behalf



MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditor

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

17 December 2014

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KIRBY MUXLOE PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 June 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 Kirby Muxloe Primary School during the period 1 November 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF KIRBY MUXLOE PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Kirby Muxloe Primary School's funding agreement with the Secretary of State for Education dated 1 November 2013, 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 period 1 November 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KIRBY MUXLOE PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw our conclusions includes:

- reviewing the information in the Financial Management and Governance Self-assessment (FMGS) return and making appropriate enquiries of the Head Teacher Accounting Officer;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;

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 November 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

17 December 2014

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000
INCOMING RESOURCES					
Incoming resources from generated funds:					
Transferred on conversion	2	39	(240)	3,139	2,938
Voluntary income	2	-	17	-	17
Activities for generating funds	3	67	-	-	67
Funding for the Academy Trust's educational operations	4	-	1,144	17	1,161
TOTAL INCOMING RESOURCES		106	921	3,156	4,183
RESOURCES EXPENDED					
Costs of activities for generating funds	5	71	-	-	71
Charitable activities	6	-	1,086	51	1,137
Governance costs	7	-	30	-	30
TOTAL RESOURCES EXPENDED	8	71	1,116	51	1,238
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		35	(195)	3,105	2,945
Transfers between funds	18	(3)	(41)	44	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		32	(236)	3,149	2,945
Actuarial losses on defined benefit pension schemes		-	(111)	-	(111)
NET MOVEMENT IN FUNDS FOR THE PERIOD		32	(347)	3,149	2,834
Total funds at 1 November 2013		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2014		32	(347)	3,149	2,834

All activities relate to continuing operations.

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

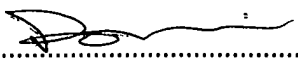
The notes on pages 23 to 42 form part of these financial statements.

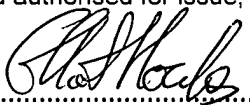
KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08702056

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£000	2014 £000
FIXED ASSETS			
Tangible assets	14		3,149
CURRENT ASSETS			
Stocks	15	1	
Debtors	16	28	
Cash at bank		105	
		<u>134</u>	
CREDITORS: amounts falling due within one year	17	(88)	
NET CURRENT ASSETS			<u>46</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,195</u>
Defined benefit pension scheme liability	24		(361)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>2,834</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	18	14	
Restricted fixed asset funds	18	3,149	
		<u>3,163</u>	
Restricted funds excluding pension liability		3,163	
Pension reserve		(361)	
		<u>2,802</u>	
Total restricted funds			2,802
Unrestricted funds	18		32
TOTAL FUNDS			<u><u>2,834</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2014 and are signed on their behalf, by:


.....
Peter Waite
Chair of Trustees


.....
Elliot Howles
Accounting Officer

The notes on pages 23 to 42 form part of these financial statements.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	2014 £000
Net cash flow from operating activities	20	96
Capital expenditure and financial investment	21	(30)
Cash transferred on conversion to an Academy Trust	23	39
INCREASE IN CASH IN THE PERIOD		105

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

	2014 £000
Increase in cash in the period	105
MOVEMENT IN NET FUNDS IN THE PERIOD	105
NET FUNDS AT 31 AUGUST 2014	105

The notes on pages 23 to 42 form part of these financial statements.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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

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

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

1.3 Incoming resources

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

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

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

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

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

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

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

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

Assets transferred at conversion have been included at the estimated depreciated replacement cost.

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 and fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

Long leasehold property	-	2% Straight line
Fixtures and fittings	-	20% Straight line
Computer equipment	-	33.3% Straight line

The land included in long leasehold property is not being depreciated.

1.7 Operating leases

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Taxation

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

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, 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.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

1.11 Conversion to an Academy Trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for no consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Kirby Muxloe Primary School to an Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Kirby Muxloe Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000
Fixed assets transferred on conversion	-	3,139	3,139
Local Authority surplus transferred on conversion	39	-	39
Pension deficit transferred on conversion	-	(240)	(240)
Total	39	2,899	2,938
Donations	-	17	17
Voluntary income	39	2,916	2,955

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000
Catering income	52	-	52
Hire of facilities	11	-	11
Other income	4	-	4
	<u>67</u>	<u>-</u>	<u>67</u>

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	1,054	1,054
Pupil Premium	-	22	22
Capital grants	-	28	28
Start up grants	-	25	25
Other EFA/DfE grants	-	10	10
	<u>-</u>	<u>1,139</u>	<u>1,139</u>
Other government grants			
Local Authority capital grant	-	3	3
	<u>-</u>	<u>3</u>	<u>3</u>
Other funding			
Parental contributions and trip income	-	19	19
	<u>-</u>	<u>19</u>	<u>19</u>
	<u>-</u>	<u>1,161</u>	<u>1,161</u>

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

5. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000
Catering costs	69	-	69
Kitchen staff costs	2	-	2
	<u>71</u>	<u>-</u>	<u>71</u>

6. CHARITABLE ACTIVITIES

	Total funds 2014 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	662
National insurance	40
Pension costs	101
Depreciation	51
Educational supplies	14
Staff development	9
Other direct costs	13
Insurance	5
	<u>895</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	107
National insurance	2
Pension costs	16
Pension finance costs (note 13)	5
Travel and subsistence	1
Maintenance of premises and equipment	27
Cleaning	2
Rent and rates	7
Energy costs	23
Insurance	16
Other support costs	36
	<u>242</u>
	<u>1,137</u>

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

7. GOVERNANCE COSTS

	Total funds 2014 £000
Auditors' remuneration	8
Professional fees	22
	<u>30</u>

8. TOTAL RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total
	2014 £000	2014 £000	2014 £000	2014 £000
Costs of generating voluntary income	2	-	69	71
Costs of generating funds	<u>2</u>	<u>-</u>	<u>69</u>	<u>71</u>
Educational Operations	803	46	46	895
Support costs	130	59	53	242
Charitable activities	<u>933</u>	<u>105</u>	<u>99</u>	<u>1,137</u>
Governance	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
	<u>935</u>	<u>105</u>	<u>198</u>	<u>1,238</u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £000
Depreciation of tangible fixed assets:	
- owned by the Academy	51
Auditor's remuneration	<u>8</u>

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

10. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £000
Wages and salaries	765
Social security costs	42
Other pension costs	118
	<hr/> 925
Supply teacher costs	4
Compensation payments	1
Pension finance costs (note 13)	5
	<hr/> 935 <hr/>

b. Staff severance payments

Compensation payments includes non-statutory/non-contractual payments totalling £1,300.

c. Staff numbers

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

	2014 No.
Teaching	15
Administration and support	22
Management	2
	<hr/> 39 <hr/>

d. Higher paid staff

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

	2014 No.
In the band £60,001 - £70,000	1

The above employee participated in the Teachers Pension Scheme. During the period ended 31 August 2014, pension contributions for this staff member amounted to £7,490.

11. TRUSTEES' REMUNERATION AND EXPENSES

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration (including employer's pension contributions) fell within the following bands:

	2014
	£000
Elliot Howles, Headteacher	60-65
Staff Trustee	30-35

During the period, no Trustees received any reimbursement of expenses.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the period ended 31 August 2014 was £1,258. The cost of this insurance is included in the total insurance cost.

13. PENSION FINANCE COSTS

	2014
	£000
Expected return on pension scheme assets	14
Interest on pension scheme liabilities	(19)
	<hr/> (5) <hr/>

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

14. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Computer equipment £000	Fixtures and fittings £000	Total £000
Cost or valuation				
Additions	-	40	21	61
Assets transferred on conversion	3,114	11	14	3,139
At 31 August 2014	3,114	51	35	3,200
Depreciation				
At 1 November 2013	-	-	-	-
Charge for the period	35	11	5	51
At 31 August 2014	35	11	5	51
Net book value				
At 31 August 2014	3,079	40	30	3,149

Included in long leasehold property is leasehold land at a valuation of £1,025,400 which is not depreciated.

15. STOCKS

	2014 £000
Catering stock	1

16. DEBTORS

	2014 £000
Trade debtors	3
VAT recoverable	15
Prepayments and accrued income	10
	28

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

17. CREDITORS:
Amounts falling due within one year

	2014
	£000
Taxation and social security	16
Other creditors	18
Accruals	54
	<hr/> 88 <hr/>
	£000
Deferred income	
Resources deferred during the year	<hr/> 38 <hr/>

At the balance sheet date the Academy Trust was holding funds received in advance for free school meals in relation to funding for the next academic year.

KIRBY MUXLOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

18. STATEMENT OF FUNDS

	Brought forward £000	Incoming resources £000	Resources expended £000	Transfers in/out £000	Gains/ (losses) £000	Carried forward £000
Unrestricted funds						
General funds	-	106	(71)	(3)	-	32
Restricted funds						
General Annual Grant (GAG)	-	1,054	(1,013)	(41)	-	-
Other DfE/EFA grants	-	10	(10)	-	-	-
Start up grant	-	25	(25)	-	-	-
Pupil Premium	-	22	(22)	-	-	-
Other grants	-	19	(19)	-	-	-
Other income	-	17	(17)	-	-	-
Capital grants	-	14	-	-	-	14
Pension reserve	-	(240)	(10)	-	(111)	(361)
	-	921	(1,116)	(41)	(111)	(347)
Restricted fixed asset funds						
Transfer from Local Authority	-	3,139	(51)	-	-	3,088
Capital grant	-	17	-	-	-	17
Capital expenditure from GAG	-	-	-	44	-	44
	-	3,156	(51)	44	-	3,149
Total restricted funds	-	4,077	(1,167)	3	(111)	2,802
Total of funds	-	4,183	(1,238)	-	(111)	2,834

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

General Annual Grant (GAG)

Funds from the Education Funding Agency for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Transfers of £41,000 from GAG funding to the restricted fixed asset fund represents contributions towards the fixed asset additions.

Other DfE/EFA grants

Other funds provided by the DfE/EFA for particular purposes within the Academy's educational operations.

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

Start up grant

Being the fund from the Education Funding Agency to cover development costs to prepare the Academy for opening.

Pupil Premium

Additional funds from the Education Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

Other grants

These are funds and grants received from the local authority and other institutions for use on specific educational projects.

Other income

These consist of income from all other sources to be used primarily for the Academy's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000
Tangible fixed assets	-	-	3,149	3,149
Current assets	32	102	-	134
Creditors due within one year	-	(88)	-	(88)
Provisions for liabilities and charges	-	(361)	-	(361)
	<u>32</u>	<u>(347)</u>	<u>3,149</u>	<u>2,834</u>

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20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £000
Net incoming resources before revaluations	2,945
Fixed assets transferred in from Local Authority on conversion	(3,139)
Pension liability transferred on conversion	240
Depreciation of tangible fixed assets	51
Capital grants and donations	(31)
Increase in stocks	(1)
Increase in debtors	(28)
Increase in creditors	88
Cash transferred on conversion to Academy	(39)
FRS 17 adjustments	10
Net cash inflow from operations	96

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

	2014 £000
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(61)
Capital grants	31
Net cash outflow capital expenditure	(30)

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 November 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	-	105	-	105
Net funds	-	105	-	105

23. CONVERSION TO AN ACADEMY TRUST

On 1 November 2013 Kirby Muxloe Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Kirby Muxloe Primary School from Leicestershire Local Authority for no consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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23. CONVERSION TO AN ACADEMY TRUST (continued)

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
- Leasehold property	-	-	3,114	3,114
- Other tangible fixed assets	-	-	25	25
Budget surplus on LA funds	39	-	-	39
LGPS pension deficit	-	(240)	-	(240)
Net assets/(liabilities)	<u>39</u>	<u>(240)</u>	<u>3,139</u>	<u>2,938</u>

24. PENSION COMMITMENTS

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

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

Contributions amounting to £17,788 were payable to the schemes at 31 August 2014 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (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.

A copy of the valuation report and supporting documentation is on the Teachers Pension website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £57,000, of which employer's contributions totalled £44,000 and employees' contributions totalled £13,000. The agreed contribution rates for future years are 18.2% for employers and 6.1% for employees.

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

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000
Equities	6.40	233
Bonds	3.30	57
Property	4.50	33
Cash	3.30	10
Total market value of assets		333
Present value of scheme liabilities		(694)
(Deficit)/surplus in the scheme		(361)

The amounts recognised in the Balance Sheet are as follows:

	2014 £000
Present value of funded obligations	(694)
Fair value of scheme assets	333
Net liability	(361)

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

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

	2014 £000
Current service cost	(49)
Interest on pension liabilities	(19)
Expected return on pension scheme assets	14
	<hr/>
Total	(54)
	<hr/>
Actual return on scheme assets	20
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Movements in the present value of the defined benefit obligation were as follows:

	2014 £000
Opening defined benefit obligation	496
Current service cost	49
Interest cost	19
Contributions by scheme participants	13
Actuarial losses	117
	<hr/>
Closing defined benefit obligation	694
	<hr/>

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

	2014 £000
Opening fair value of scheme assets	256
Expected return on assets	14
Actuarial gains	6
Contributions by employer	44
Contributions by employees	13
	<hr/>
	333
	<hr/>

The cumulative amount of actuarial losses recognised in the Statement of Total Recognised Gains and Losses was £111,000.

The Academy expects to contribute £56,000 to its Defined Benefit Pension Scheme in 2015.

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

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

	2014
Equities	70.00 %
Bonds	17.00 %
Property	10.00 %
Cash	3.00 %

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

	2014
Discount rate for scheme liabilities	3.70 %
Expected return on scheme assets at 31 August	5.50 %
Rate of increase in salaries	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %

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

	2014
Retiring today	
Males	22.2
Females	24.3
Retiring in 20 years	
Males	24.2
Females	26.6

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014
	£000
Defined benefit obligation	(694)
Scheme assets	333
Deficit	(361)
Experience adjustments on scheme liabilities	(117)
Experience adjustments on scheme assets	6

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25. OPERATING LEASE COMMITMENTS

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

	Land and buildings 2014 £000	Other 2014 £000
Expiry date:		
Within 1 year	-	1

26. RELATED PARTY TRANSACTIONS

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

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

27. CONTROLLING PARTY

The Academy is ultimately controlled by the Governing Body, which includes the Headteacher.

28. MEMBERS' LIABILITY

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

29. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.