

Registration number: 08233527

St Michael & All Angels Church of England Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2015

Haines Watts Leicester LLP
Chartered Accountants and Registered Auditor
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

St Michael & All Angels Church of England Primary School

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St Michael & All Angels Church of England Primary School

Reference and Administrative Details

Members	The Diocese of Leicester Educational Trust (Company no: 07773846) C Lewis Rev D White R Evans (Chair) Rev L Brabin-Smith J Fear
Governors and Trustees (Directors)	R Evans (Chair) N Bardsley, Headteacher A Bassett (resigned 12 November 2014) G Freeman Rev L Brabin-Smith R Meade A Bridge J Fear (Vice Chair) B Brutnall B Matthew, Staff Trustee P Harvey Dr M Field (appointed 12 November 2014)
Company Secretary	J Wainwright
Senior Management Team	N Bardsley, Headteacher
Principal and Registered Office	Brookside Rearsby Leicester LE7 4YB
Company Registration Number	08233527
Auditors	Haines Watts Leicester LLP Chartered Accountants and Registered Auditor Hamilton Office Park 31 High View Close Leicester LE4 9LJ
Bankers	The Co-operative Bank 77-79 Market Place Leicester LE1 5EN

St Michael & All Angels Church of England Primary School

Reference and Administrative Details (continued)

Solicitors

Legal Services
Leicestershire County Council
County Hall
Glenfield
Leicester
LE3 8RB

St Michael & All Angels Church of England Primary School

Trustees' Report for the Year Ended 31 August 2015

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. 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 the catchment area of Rearsby. It has a pupil capacity of 105 and had a roll of 102 in the school census taken in October 2014.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 08233527.

The governors act as the trustees for the charitable activities of St Michael & All Angels Church of England Primary School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Michael & All Angels Church of England 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 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.

Trustees' indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors 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 year was £1,242.

Method of recruitment and appointment or election of Trustees

Recruitment of Governors is outlined in the Articles of Association. Members may appoint a minimum of 6 Foundation Governors. One Staff Governor is elected via the process of a staff ballot. Two Parent Governors are elected via the process of a parent ballot. The Governing Body may co-opt up to two Governors.

Policies and procedures adopted for the induction and training of Trustees

Governor induction training alongside a menu of extensive specialised training is available through the STEP Partnership and the LA Governor Development Service. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. A knowledge/skills matrix has been compiled over this past academic year.

St Michael & All Angels Church of England Primary School

Trustees' Report for the Year Ended 31 August 2015 (continued)

Organisational structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Governing Body has the following Committees:

- Pay
- Finance and Personnel
- Admissions
- Health & Safety
- Complaints
- Strategic Planning
- Discipline
- Appeals

The Governors on the committees have powers delegated to them from the full Governing Body to make decisions on behalf of the academy within the remit of the Committees' sphere of concern. Terms of Reference for each committee exist. The Committees meet each half term and their work is reported to the Full Governing Body each half term. All policies and budget decisions are decided upon by agreement of the Governing Body.

The Head Teacher is responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and pupils.

Risk management

A thorough Risk Management Assessment has been conducted using guidelines provided by the EFA and has been assessed and approved via the Personnel and Finance Committee. The assessment involved identifying the types of risk the Academy faces, prioritising them into operational and financial impacts, assessing the likelihood of the occurrence and the impact that the occurrence will have on the Academy, and putting in place controls to mitigate such risks. Whilst reviewed via the Personnel and Finance Committee on an annual basis, the Risk Register is a live document which is reviewed regularly with the relevant subcommittees and management.

A Business Continuity Plan has been developed by all schools within STEP and has been personalised and ratified by the Governing Body of St Michael & All Angels.

Connected organisations, including related party relationships

St Michael and All Angels Church of England Primary School is part of an educational partnership known as Syston Thurmaston Education Partnership (STEP). STEP has been incorporated by the Schools as a vehicle to combine their respective expertise for the purpose of supporting collaboration between the Schools to deliver school improvement and to capture 'best practice'. The chair of trustees of each primary school is a member of the STEP Board, which meets each term to share data and provide strategic vision for the group.

St Michael & All Angels Church of England Primary School

Trustees' Report for the Year Ended 31 August 2015 (continued)

Objectives and activities

Objects and aims

The Academy Trust's objective is specifically restricted to advance for public benefit education in the United Kingdom, in particular establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship.

- To promote a Christian ethos within the caring supportive environment of the school
- To create and inspire confident, resilient, independent learners.
- To promote respect for themselves, each other and the wider community.
- To encourage and develop enquiring minds.
- To expect high standards of behaviour and work.
- To value all children's individuality and celebrate their successes.
- To create a nurturing environment where children are motivated to achieve their best.

The Governors acknowledge that they have overall responsibility for ensuring that St Michaels and All Angels Church of England Primary School has an effective and appropriate system of control, financial and otherwise, and ensuring the financial statements comply with the Companies Act 2006, part VI of the Charities Act 1993 and SORP 2005. Governors also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- The Academy is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- The proper records are maintained and financial information used within the Academy or for publication is reliable;
- The Academy complies with relevant laws and regulations.

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:

- co-ordinating the planning and budgeting processes;
- applying discipline in financial management, including managing banking, debt and cash flow, with appropriate segregation of duties;
- preparation of timely management accounts;
- ensuring that delegated financial authorities are respected;
- the propriety and regularity of financial transactions;
- the management and oversight of assets
- the risk of fraud and theft; and
- ensuring efficiency and value for money in the organisation's activities

In addition, the Governors have to take into account the guidance for Directors of public listed companies contained within the Academies Handbook and Accounts Direction 2014 - 15 regarding managing public money.

The Governors have appointed the LA Internal Audit in the role of Responsible Officer. This role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The Internal Audit reports to the Governing Body on a regular basis regarding the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

St Michael & All Angels Church of England Primary School

Trustees' Report for the Year Ended 31 August 2015 (continued)

Objectives, strategies and activities

In the reporting year the objectives of the Academy were:

- To improve the teaching of Maths across the school in line with the new National Curriculum ensuring that the three aims are addressed which will lead to an improvement in the progress of Maths across the school
- To improve the progress and attainment of Writing across the whole school
- To improve the progress of Maths across Key Stage 2 – aim to reach 14.6 points progress
- To ensure that differentiation is not creating a ceiling to children's learning

Public benefit

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

St Michael & All Angels Church of England Primary School

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Achievements and performance

The total number of students on role at the school for the period ended 31st August 2015 numbered 102.

There were 13 Year 6 children who took their end of Key Stage 2 Statutory Assessment Tests. 100% of children attained a Level 4 in Reading, Writing and Maths. Our Level 5 Reading results were up by 4% and our Writing results remained high. Maths remained at 100% reaching Level 4 for the fourth year running. Our level 5 Spelling, Punctuation and grammar results were the highest ever at 77%. Our percentage of children achieving 3 level progress had also increased in writing (46% making 3 levels progress from Key Stage 1) and 46% making 3 levels progress in Maths (up 29% from 2014).

Key Stage 1 results were also good. 100% of children achieved Level 2b+ in Reading, 80% in Writing and 100% in Maths. Average Point scores are above national for all areas.

100% of children in Year 1 successfully passed the Phonic Screening for the third year running.

In Foundation Stage 68.3% were judged to have a good level of development. This was higher than both the Local Authority and National percentages.

To ensure that standards are continually raised St Michael and All Angels CE Primary has continued to use a range of monitoring evidence including observations, learning walks and peer mentoring/coaching sessions. Staff have written reports about the impact that professional development has had on teaching and learning.

Staff have also worked closely with Governors, providing them with regular subject reports, highlighting strengths and areas for development. Likewise, Governors have taken an active role in the school by carrying out several monitoring visits. As raising standards in Maths and Writing were two foci for the year, Governors monitored these areas by observing lessons, and interviewing both children and staff. As a result the Governing Body has gained a better understanding of the areas for development across the school and the provision the school has made to address these issues. They have then measured the impact of the provision.

St. Michael and All Angels CE Primary School is part of an Educational Trust with nine other schools (STEP). The school is also part of the STEP teaching school and has been involved in organising a number of professional development activities for the teaching school including i-Pad training and a Foundation stage/Pre-school School Readiness conference. The Governors have supported the Head Teacher in his support of two other schools this year. The first was a school within STEP that was judged as requiring improvement by Ofsted. The support included attending staff meetings, book trawls and lesson observations. Support at the second school, situated in a contrasting location in Leicestershire, was through mentoring the new head in post throughout the year.

The school is data rich and information is analysed methodically to ensure the best outcomes for all. Vulnerable groups, including children who are entitled to Free School Meals (FSM), or who receive Pupil Premium money, are tracked to ensure that there is no underperformance. The progress of all vulnerable groups is shared with both staff and governors each term. Any underperformance is quickly addressed and managed.

The children at the school are split into four houses. Each house supports a chosen charity throughout the year. This last year over £ 850 was raised by the children. The charities the children chose to support this year were LOROS through Fitness in Schools, the RSPCA, Red Nose Day and WaterAid. The school has enhanced the curriculum by taking children on several school trips. Two successful residential trips took place, one for Year 3/4 who went to Beaumanor Hall for two days and one for Year 5/6 who went to Dukes Barn for three days.

St Michael & All Angels Church of England Primary School

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Going concern

After making appropriate enquiries, the Governing Body 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.

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
- Physical Risks
- Infrastructure Risks
- Staffing Risks
- Pupil Risks
- Financial Risks

The Governing Body 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 risks are assessed and monitored on an ongoing basis at committee level. Significant changes of risk will be discussed and assessed by the full Governing Body.

Financial review

St Michael & All Angels C of E Primary School receives the majority of its funding from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. 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 asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2015 total expenditure of £540,652 was covered by the General Annual Grant, other DfE grants, other government grants as well as other income. The excess of income over expenditure for the period, excluding the Fixed Asset fund was £9,314.

St Michael & All Angels Church of England Primary School

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Financial and risk management objectives and policies

The Governing Body of St Michael & All Angels has overall responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the school's public and other funds and assets, in accordance with the Funding Agreement and the Academies Financial Handbook issued by the Department for Education.

St Michael & All Angels follows and adopts good practice in the identification, evaluation and control of risks to ensure that, as far as reasonably practicable, risks are avoided or reduced to an acceptable level. Although it is acknowledged that risks exist and can never be eliminated, it is important that all members of staff are aware of risk associated with their area of work. The following key principles outline the School's approach to risk management:

- the Governing Body has responsibility for overseeing risk management within the School as a whole
- there is an open and receptive approach to solving risk problems
- the Head Teacher and Bursar advise on, and implement policies, approved by the Governing Body and are responsible for fostering good risk management practice within their areas of responsibility
- key risks will be identified within the Risk Register and monitored on a regular basis.

Reserves policy

The Governing Body is responsible for determining the level of financial reserves to be carried forward at the end of any financial year. In doing this they will:

- Match income with expenditure in the current year
- Carry forward an agreed contingency reserve in line with the school's Risk Management Policy
- Ensure any surplus reserves are committed to planned expenditure in line with the School Development Plan

The Governing Body has delegated the monitoring of potential year-end reserves to the Finance & Personnel Committee. This committee ensures that the levels of reserves that can be carried forward at the end of the financial year will be in line with any guidance received from the DfE and the EFA on the treatment of GAG income and other grants.

The Governing Body may accumulate reserve funds raised from private sources to defray for the benefit of the Academy in future years.

St Michael & All Angels Church of England Primary School

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Investment policy

The aim of the Governing Body is to spend the public monies with which they are entrusted for the direct education benefit of pupils as soon as is prudent. The Governing Body does not consider the investment of surplus funds as a primary activity; rather it is the result of good practice as and when circumstances allow. Where surplus funds have been identified the Governing Body will consider investments under the following guidelines:

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements.
- To ensure there is no risk of loss in capital value of any cash funds invested.
- To protect the capital value of any invested funds against inflation.
- To optimise returns on invested funds.

At present St Michael and All Angels C of E Primary School has no investment funds.

Plans for future periods

St Michael & All Angels will continue striving to improve the levels of performance of its pupils at all levels and will continue to ensure that the curriculum meets the needs of all pupils in a Christian environment.

Most of the Academy's balances will be spent on maintaining staffing levels for future years to increase academic results, as well as investment in the Buildings Maintenance Scheme to ensure that the property is fit for purpose.

The school priorities for 2015-2016 are:

To improve the teaching and learning of Maths across the school in order to impact on outcomes for children.

In order to improve Maths, the school intends to develop:

- A mastery approach to maths, ensuring deeper understanding of mathematical concepts.
- The children's knowledge and understanding of shape.
- An understanding into the learning process of maths.
- An understanding of variation theory to enable children to reason and deepen their learning.
-

To improve the progress and attainment of Writing across Key Stage 1 & 2

In order to improve Writing, the school intends to develop:

- Use of technology (i-pads) to enhance Writing skills.
- Scheme of work for Grammar, Punctuation and Spelling.
- Embed Talk for Writing and Alan Peat sentences across whole school including KS1.
- Handwriting and presentation of work.
- Moderation/quality assurance of pieces of work across schools in STEP.
- Assessment of GPS across whole school.

St Michael & All Angels Church of England Primary School

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

To improve staff's knowledge and understanding of the Computing Curriculum

In order to improve the progress in Computing, the school intends to develop:

- Staff CPD of i-pads as a tool to improve standards across the curriculum.
- Staff confidence and knowledge of requirements of computing curriculum.
- The use of digital leaders.

To improve questioning and feedback, so that it has an impact on both teaching and learning and outcomes for children

In order to ensure that questioning and feedback is having an impact on outcomes for children, the school intends to:

- Ensure opportunities for pupils to feedback to staff.
- Allow time for children to think about their learning - develop metacognition.
- Revisit marking/feedback policy.
- Give children a voice to talk about their learning through House meetings for example.
- Develop a range of feedback strategies (pupil to staff, and staff to pupil).

Funds held as Custodian Trustee on behalf of others

For the year ended 31 August 2015 there are no assets and arrangements held for safe custody and segregation.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Haines Watts Leicester LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 9 December 2015 and signed on its behalf by:

.....
R Evans (Chair)
Governor and trustee

.....
N Bardsley
Governor and trustee

St Michael & All Angels Church of England Primary School

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that St Michael & All Angels Church of England 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 Governing Body has delegated the day-to-day responsibility to N Bardsley, 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 St Michael & All Angels Church of England Primary School and the Secretary of State for Education. He is also responsible for reporting to the Governing Body 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 Statement of Trustees' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
N Bardsley	6	6
R Evans (Chair)	6	6
G Freeman	4	6
Rev L Brabin-Smith	4	6
R Meade	4	6
A Bridge	3	6
J Fear (Vice Chair)	5	6
B Brutnall	6	6
B Matthew	4	6
P Harvey	5	6
Dr M Field	4	5
A Bassett	0	1

Governance reviews

To continually find willing and proactive governors to maintain the effectiveness of the Full Governing Body is especially challenging and can be time consuming.

A governor skills audit was carried out in June to match the skills of governors to the needs of the Governing Body and school to ensure each role is carried out effectively. This is an ongoing process due to a number of trustee changes.

Throughout the year Governors have been invited to attend and have attended various training schools provided by either GDS or STEP.

St Michael & All Angels Church of England Primary School

Governance Statement (continued)

The Finance and Personnel Committee is a sub-committee of the main Governing Body. Its purpose is to provide guidance and assistance to the Head Teacher and the Governing Body in matters relating to budgeting and finance with reference to the Academies Handbook and EFA legislation, including:

- To monitor the financial situation of the Academy and report to the full governing body at each meeting.
- To ensure insurance is in place for the Academy.
- To operate the governing body's arrangements for obtaining quotations and inviting tenders in association with YMD Boon.
- To authorise all write-offs and disposals of surplus stock and equipment in accordance with the EFA Regulations and ensure that such decisions are included in the annual inventory check report to the governing body.
- To review the risks to internal financial control at the St Michael & All Angels and agree a programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.
- To advise the Accounting Officer of the implications of their review of the system of Internal Control
- To recommend end of year Financial Statements to the Governing Body.

Personnel

- To decide with the head teacher the arrangements for all appointments of staff except for head teachers and deputy head teachers.
- To ensure that policies and procedures for supervision, personal development and performance review are in place and ensure statutory requirements are met.
- Establish Grievance, Disciplinary and Capability procedures are in place within the school and review as necessary.

The functions of the Audit Committee are included within the function of the Finance & Personnel Committee.

The last year has been quite challenging and will continue to be over the coming years with the allocated school budget getting tighter. This has led the committee into having to make some very difficult decisions in the way that the budgets are allocated across the school, whilst at the same time ensuring the whole school remains effective financially in its teaching. A rolling 3-year financial budget has been implemented to monitor the forecasting of the school's finances.

Due to the financial constraints of the school, the school went through a period of redundancy and a reduction in hours of support staff.

A new year 5/6 teacher was appointed in January 2015 to replace the previous class teacher who left at the end of the Autumn term 2014.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
N Bardsley	6	6
R Evans (Chair)	6	6
P Harvey	5	6
B Brutnall	5	6
A Bassett	0	1
J Wainwright	6	6

St Michael & All Angels Church of England Primary School

Governance Statement (continued)

Review of value for money

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

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

- Collaboration - St. Michael and All Angels CE Primary School is part of an Educational Partnership with nine other schools (STEP). Since also becoming a teaching school in April 2014, the school now collaborates with 19 other primary schools through quality CPD and support. Having a larger number of schools with which to collaborate has provided value for money for professional development opportunities.
- Income Generation - this year the school has increased the number of days the after school club is available. This provides additional resources for the children as well providing the school with a monthly income.
- Science funding provided by the Odgen Trust has given Science experiences for the children and professional development activities for the staff.
- Through the Sports Premium grant the school was able to employ a Sports apprentice. This had a positive impact on the school, not only through uptake of sporting clubs and events, but also through improved behaviour at lunchtimes as more structured activities were introduced.
- Financial Governance and Oversight - The Finance Committee have challenged the school with rigor over the past year, ensuring both value for money and sustainability. This has ensured that the school is financially sound for at least three years and has implemented a robust three year plan. The two audits that have occurred through the year have commended the school for its effective procedures and value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Michael & All Angels Church of England Primary School for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

St Michael & All Angels Church of England Primary School

Governance Statement (continued)

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

The Governing Body has considered the need for a specific internal audit function and has decided:

- to appoint Leicestershire County Council Internal Audit Services as internal auditor

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. , the auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of effectiveness

As Accounting Officer, N Bardsley, 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 the internal auditor ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Bursar within the Academy Trust who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 9 December 2015 and signed on its behalf by:

.....
R Evans (Chair)
Governor and trustee

.....
N Bardsley
Accounting officer
Governor and trustee

St Michael & All Angels Church of England Primary School

Statement on Regularity, Propriety and Compliance

As accounting officer of St Michael & All Angels Church of England Primary School I have considered my responsibility to notify the academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State 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 Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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

.....
N Bardsley, Headteacher
Accounting officer

St Michael & All Angels Church of England Primary School

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments 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 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 the 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 on 9 December 2015 and signed on its behalf by:

.....
R Evans (Chair)
Governor and trustee

St Michael & All Angels Church of England Primary School

Independent Auditor's Report on the Financial Statements to the Members of St Michael & All Angels Church of England Primary School

We have audited the financial statements of St Michael & All Angels Church of England Primary School for the year ended 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared under the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charity'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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 17), 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 (APB'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 charitable company'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 Annual 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

St Michael & All Angels Church of England Primary School

**Independent Auditor's Report on the Financial Statements to the Members of St
Michael & All Angels Church of England Primary School (continued)**

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.

.....
Sanjay Khullar (Senior Statutory Auditor)
For and on behalf of Haines Watts Leicester LLP, Statutory Auditor

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

9 December 2015

St Michael & All Angels Church of England Primary School

Independent Reporting Accountant's Report on Regularity to St Michael & All Angels Church of England Primary School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 5 May 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Michael & All Angels Church of England 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 the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body 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 the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency. 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.

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.

We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.

We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.

St Michael & All Angels Church of England Primary School

Independent Reporting Accountant's Report on Regularity to St Michael & All Angels Church of England Primary School and the Education Funding Agency (continued)

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.

Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.

- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.

We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

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

.....
Sanjay Khullar

For and on behalf of Haines Watts Leicester LLP, Chartered Accountants

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

9 December 2015

St Michael & All Angels Church of England Primary School

Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	-	-	-	-	5,000
Activities for generating funds	3	22,865	-	-	22,865	25,998
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	4	-	515,092	9,009	524,101	487,430
Total incoming resources		<u>22,865</u>	<u>515,092</u>	<u>9,009</u>	<u>546,966</u>	<u>518,428</u>
Resources expended						
<i>Cost of generating funds:</i>						
Cost of generating funds		21,851	-	-	21,851	14,455
<i>Charitable activities:</i>						
Academy's educational operations		-	508,262	5,440	513,702	494,252
Governance costs	7	-	5,100	-	5,100	9,639
Total resources expended	5	<u>21,851</u>	<u>513,362</u>	<u>5,440</u>	<u>540,653</u>	<u>518,346</u>
Net incoming resources before transfers		<u>1,014</u>	<u>1,730</u>	<u>3,569</u>	<u>6,313</u>	<u>82</u>
Net income for the year		1,014	1,730	3,569	6,313	82
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	21	-	3,000	-	3,000	(50,000)
Net movement in funds/(deficit)		1,014	4,730	3,569	9,313	(49,918)
Reconciliation of funds						
Total Funds/(deficit) brought forward at 1 September 2014		<u>9,498</u>	<u>(147,345)</u>	<u>122,459</u>	<u>(15,388)</u>	<u>34,530</u>
Total Funds/(deficit) carried forward at 31 August 2015		<u>10,512</u>	<u>(142,615)</u>	<u>126,028</u>	<u>(6,075)</u>	<u>(15,388)</u>

St Michael & All Angels Church of England Primary School

**Statement of Financial Activities for the Year Ended 31 August 2015
(Including Income and Expenditure Account and Statement of Total Recognised Gains
and Losses) (continued)**

All of the Academy's activities derive from continuing operations during the above two periods.

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

St Michael & All Angels Church of England Primary School

**(Registration number: 08233527)
Balance Sheet as at 31 August 2015**

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	11	124,988	122,460
Current assets			
Stocks	12	193	-
Debtors	13	19,222	20,963
Cash at bank and in hand		<u>62,913</u>	<u>58,816</u>
		82,328	79,779
Creditors: Amounts falling due within one year	14	<u>(43,391)</u>	<u>(57,627)</u>
Net current assets		<u>38,937</u>	<u>22,152</u>
Total assets less current liabilities		<u>163,925</u>	<u>144,612</u>
Net assets excluding pension liability		163,925	144,612
Pension scheme liability	21	<u>(170,000)</u>	<u>(160,000)</u>
Net liabilities including pension liability		<u><u>(6,075)</u></u>	<u><u>(15,388)</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		27,386	12,655
Restricted fixed asset fund		126,028	122,460
Restricted pension fund		<u>(170,000)</u>	<u>(160,000)</u>
		(16,586)	(24,885)
Unrestricted funds			
Unrestricted general fund		<u>10,511</u>	<u>9,497</u>
Total funds		<u><u>(6,075)</u></u>	<u><u>(15,388)</u></u>

The financial statements on pages 22 to 42 were approved by the Trustees, and authorised for issue on 9 December 2015 and signed on their behalf by:

.....
R Evans (Chair)
Governor and trustee

.....
N Bardsley
Governor and trustee

St Michael & All Angels Church of England Primary School

Cash Flow Statement for the Year Ended 31 August 2015

	Note	2015 £	2014 £
Net cash inflow from operating activities	17	10,693	10,606
Capital expenditure and financial investment	18	<u>(6,596)</u>	<u>11,702</u>
Increase in cash in the year	19	<u>4,097</u>	<u>22,308</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		4,097	22,308
Net funds at 1 September 2014		<u>58,816</u>	<u>36,508</u>
Net funds at 31 August 2015		<u>62,913</u>	<u>58,816</u>

All of the cash flows are derived from continuing operations during the above two periods.

St Michael & All Angels Church of England Primary School

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 Academies Accounts Direction 2014 to 2015 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 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 company 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.

Incoming resources

All incoming resources are recognised when the Academy Trust 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.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

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.

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Donated services and gifts in kind

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

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.

All resources expended are inclusive of irrecoverable VAT.

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 Trust's educational operations.

Governance costs

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

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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.

Asset class	Depreciation method and rate
Fixtures and fittings	7 years straight line
Computer equipment	4 years straight line
Leasehold land	No depreciation is provided.

Leased assets

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

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The Academy Trust 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 Trust 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.

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

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 the notes to the financial statements, 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.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

2 Voluntary income

	Total
	2014
	£
Other donations	<u><u>5,000</u></u>

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

3 Activities for generating funds

	Unrestricted funds £	Total 2015 £	Total 2014 £
Catering income	6,157	6,157	11,039
Recharges and reimbursements	11,883	11,883	11,639
Other sales	4,825	4,825	3,320
	22,865	22,865	25,998

4 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
DfE/EFA revenue grants				
General Annual Grant	436,768	-	436,768	432,347
Other DfE/EFA grants	13,681	-	13,681	12,241
Pupil premium	11,663	-	11,663	10,341
Capital grants	-	9,009	9,009	16,554
UIFSM income	19,447	-	19,447	-
	481,559	9,009	490,568	471,483
Other government grants				
Local Authority grants	-	-	-	7,311
Non-government grants and other income				
Other income	33,533	-	33,533	8,636
Total grants	515,092	9,009	524,101	487,430

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

5 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £	Total 2014 £
Costs of activities for generating funds	-	-	21,851	21,851	14,455
Academy's educational operations					
Direct costs	321,423	5,440	22,106	348,969	330,429
Allocated support costs	75,948	47,186	41,599	164,733	163,823
	397,371	52,626	63,705	513,702	494,252
Governance costs including allocated support costs	-	-	5,100	5,100	9,639
	397,371	52,626	90,656	540,653	518,346
Net incoming/outgoing resources for the year include:				2015 £	2014 £
Fees payable to auditor - audit				4,550	9,639
- other audit services				550	-

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

6 Charitable activities

	Total 2015 £	Total 2014 £
Direct costs - educational operations		
Teaching and educational support staff costs	321,423	311,743
Depreciation	5,440	2,923
Educational supplies	6,690	5,263
Staff development	2,850	2,804
Other direct costs	12,566	7,696
	348,969	330,429
Support costs - educational operations		
Support staff costs	66,948	65,223
FRS 17 service cost adjustment	9,000	2,000
Technology costs	2,749	6,062
Maintenance of premises and equipment	22,962	23,676
Cleaning	1,077	1,159
Rent, rates and utilities	8,898	8,668
Insurance	14,249	14,371
Expected return on scheme assets	(7,000)	(7,000)
Interest on defined benefit pension scheme	11,000	10,000
Professional fees	5,142	8,509
Other support costs	29,708	31,155
	164,733	163,823
Total direct and support costs	513,702	494,252

7 Governance costs

	Total 2015 £	Total 2014 £
Auditors' remuneration		
Audit of financial statements	4,550	9,639
Other audit services	550	-
	5,100	9,639

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

8 Staff

Staff costs

	2015 £	2014 £
Staff costs during the year were:		
Wages and salaries	306,259	307,237
Social security costs	17,263	17,289
Pension costs	57,772	50,988
Supply teacher costs	16,077	3,452
	<u>397,371</u>	<u>378,966</u>

Non statutory/non-contractual staff severance payments

Included in staff costs are non-statutory/non-contractual severance payments totalling £3,999 (2014: £Nil).

Staff numbers

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

	2015 No	2014 No
Charitable Activities		
Teachers	4	4
Administration and support	6	7
Management	1	1
	<u>11</u>	<u>12</u>

9 Related party transactions - trustees' remuneration and expenses

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

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

9 Related party transactions - trustees' remuneration and expenses (continued)

N Bardsley (Headteacher):

Remuneration: £55,000 - £60,000 (2014 - £50,000 - £55,000)

Employer's pension contributions: £5,000 - £10,000 (2014 - £5,000 - £10,000)

B Matthew (Staff Trustee):

Remuneration: £20,000 - £25,000 (2014 - £15,000 - £20,000)

Employer's pension contributions: £0 - £5,000 (2014 - £0 - £5,000)

R Smith (Staff Trustee):

Remuneration: £35,000 - £40,000 (2014 - £30,000 - £35,000)

Employer's pension contributions: £0 - £5,000 (2014 - £0 - £5,000)

Other related party transactions involving the trustees are set out in note 22.

10 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 year ended 31 August 2015 was £1,242 (2014 - £1,172).

The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2014	112,000	5,030	13,296	130,326
Additions	-	1,285	6,684	7,969
Disposals	-	-	(1,430)	(1,430)
At 31 August 2015	<u>112,000</u>	<u>6,315</u>	<u>18,550</u>	<u>136,865</u>
Depreciation				
At 1 September 2014	-	401	7,465	7,866
Charge for the year	-	902	3,166	4,068
Eliminated on disposals	-	-	(57)	(57)
At 31 August 2015	<u>-</u>	<u>1,303</u>	<u>10,574</u>	<u>11,877</u>
Net book value				
At 31 August 2015	<u>112,000</u>	<u>5,012</u>	<u>7,976</u>	<u>124,988</u>
At 31 August 2014	<u>112,000</u>	<u>4,629</u>	<u>5,831</u>	<u>122,460</u>

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

12 Stock

	2015 £
Books and stationery	193

13 Debtors

	2015 £	2014 £
Trade debtors	4,501	5,072
Prepayments	7,580	3,552
VAT recoverable	4,048	2,954
Other debtors	3,093	9,385
	19,222	20,963

14 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	-	4,314
Other creditors	10,339	20,260
Accruals	15,581	17,690
Deferred income	17,471	15,363
	43,391	57,627
		2015 £

Deferred income

Deferred income at 1 September 2014	15,363
Resources deferred in the period	17,471
Amounts released from previous periods	(15,363)
Deferred income at 31 August 2015	17,471

At the balance sheet date the Academy Trust was holding funds received in advance for catering and parental contributions, universal infant free school meals funding and devolved capital grant money.

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

15 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	-	456,215	(428,829)	-	27,386
Other DfE/EFA grants	1,226	13,682	(14,908)	-	-
Pupil premium	2,114	11,663	(13,777)	-	-
Capital grants	9,315	-	(9,315)	-	-
Other income	-	33,532	(33,532)	-	-
	<u>12,655</u>	<u>515,092</u>	<u>(500,361)</u>	-	<u>27,386</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds	122,460	9,009	(5,441)	-	126,028
Restricted pension funds					
Pension scheme liability	<u>(160,000)</u>	-	<u>(13,000)</u>	<u>3,000</u>	<u>(170,000)</u>
Total restricted funds	(24,885)	524,101	(518,802)	3,000	(16,586)
Unrestricted funds					
Unrestricted general funds	<u>9,497</u>	<u>22,865</u>	<u>(21,851)</u>	-	<u>10,511</u>
Total funds	<u>(15,388)</u>	<u>546,966</u>	<u>(540,653)</u>	<u>3,000</u>	<u>(6,075)</u>

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

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	124,988	124,988
Current assets	10,511	70,777	1,040	82,328
Current liabilities	-	(43,391)	-	(43,391)
Pension scheme liability	-	(170,000)	-	(170,000)
Total net assets	<u>10,511</u>	<u>(142,614)</u>	<u>126,028</u>	<u>(6,075)</u>

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

17 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income	6,313	82
Depreciation	4,068	2,923
Donated capital and capital grants	-	(16,554)
FRS 17 expected return on scheme assets	(7,000)	(7,000)
FRS 17 interest on defined benefit pension scheme	11,000	10,000
FRS17 service cost adjustment	9,000	2,000
Increase in stocks	(193)	-
Decrease/(increase) in debtors	1,741	(11,676)
(Decrease)/increase in creditors	(14,236)	30,832
Net cash inflow from operating activities	10,693	10,607

18 Capital expenditure and financial investment

	2015 £	2014 £
Purchase of tangible fixed assets	(7,969)	(4,852)
Sale of tangible fixed assets	1,373	-
Capital grants from DfE	-	16,554
Net cash (outflow)/inflow from capital expenditure and financial investment	(6,596)	11,702

19 Analysis of changes in net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	58,816	4,097	62,913

20 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.

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

21 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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

21 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £26,912 (2014: £28,086).

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

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £30,000 (2014 - £28,000), of which employer's contributions totalled £22,000 (2014 - £21,000) and employees' contributions totalled £8,000 (2014 - £7,000). The agreed contribution rates for future years are 21.4 per cent for employers and 5.5 - 12.5 per cent for employees.

Principal actuarial assumptions

	At 31 August 2015 %	At 31 August 2014 %
Rate of increase in salaries	4.60	4.50
Rate of increase for pensions in payment/inflation	2.70	2.70
Discount rate for scheme liabilities	3.80	3.70
Inflation assumptions (CPI)	<u>3.80</u>	<u>5.50</u>

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

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

21 Pension and similar obligations (continued)

	At 31 August 2015	At 31 August 2014
Retiring today		
Males retiring today	22.00	22.00
Females retiring today	24.00	24.00
Retiring in 20 years		
Males retiring in 20 years	24.00	24.00
Females retiring in 20 years	<u>27.00</u>	<u>27.00</u>

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

	At 31 August 2015	At 31 August 2014
	£	£
Equities	95,000	77,000
Other bonds	30,000	19,000
Property	16,000	11,000
Cash	<u>3,000</u>	<u>3,000</u>
Total market value of assets	144,000	110,000
Present value of scheme liabilities - funded	<u>(314,000)</u>	<u>(270,000)</u>
Deficit in the scheme	<u>(170,000)</u>	<u>(160,000)</u>

The expected rates of return were:

	At 31 August 2015	At 31 August 2014
	%	%
Equities	4.00	6.00
Other bonds	4.00	3.00
Property	4.00	5.00
Cash	<u>4.00</u>	<u>3.00</u>

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 the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £5,000 (2014 - £14,000).

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

21 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2015	2014
	£	£
Current service cost	31,000	23,000
Total operating charge	<u>31,000</u>	<u>23,000</u>

Analysis of pension finance income/(costs)

	2015	2014
	£	£
Expected return on pension scheme assets	7,000	7,000
Interest on pension liabilities	<u>(11,000)</u>	<u>(10,000)</u>
Pension finance costs	<u>(4,000)</u>	<u>(3,000)</u>

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 (£101,000) (2014 - (£104,000)).

Movements in the present value of defined benefit obligation

	2015	2014
	£	£
At 1 September	270,000	208,000
Current service cost	31,000	23,000
Interest cost	11,000	10,000
Employee contributions	8,000	7,000
Actuarial (gains)/losses	(5,000)	24,000
Benefits paid	<u>(1,000)</u>	<u>(2,000)</u>
At 31 August	<u>314,000</u>	<u>270,000</u>

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

	2015	2014
	£	£
At 1 September	110,000	103,000
Expected return on assets	7,000	7,000
Actuarial losses	(2,000)	(26,000)
Employer contributions	22,000	21,000
Employee contributions	8,000	7,000
Benefits paid	<u>(1,000)</u>	<u>(2,000)</u>
At 31 August	<u>144,000</u>	<u>110,000</u>

The estimated value of employer contributions for next period is £24,000 (2014 - £23,000).

St Michael & All Angels Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

21 Pension and similar obligations (continued)

History of experience adjustments

Amounts for the current and previous 2 periods are as follows:

	2015	2014	2013
	£	£	£
Present value of scheme liabilities	(314,000)	(270,000)	(208,000)
Fair value of scheme assets	<u>144,000</u>	<u>110,000</u>	<u>103,000</u>
Deficit in the scheme	<u>(170,000)</u>	<u>(160,000)</u>	<u>(105,000)</u>
		2015	2014
		£	£
Experience adjustments arising on scheme assets		(2,000)	(26,000)
Experience adjustments arising on scheme liabilities		<u>-</u>	<u>(24,000)</u>

Comparative figures have not been restated as permitted by FRS 17.

22 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

There were no related party transactions in the year.