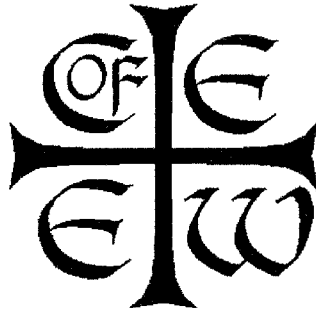

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)



Loughborough Church of England Primary School
(A Company Limited by Guarantee)

Annual Report and Financial Statements
15 month period ended 31 August 2015

Company Registration Number:
09023805 (England and Wales)

4 Henley Way
Doddington Road
Lincoln
LN6 3QR
T 01522 507000
E info@lincoln.duntop.co.uk

**DUNCAN
& TOPLIS**
CHARTERED ACCOUNTANTS
AND BUSINESS ADVISERS

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr G North Mr S A Beals Mr H Jones Diocese of Leicester Educational Trust
Governors	Mr G North (Chair) (appointed 2.5.14) Mr S A Beals (appointed 2.5.14) Mr H Jones (appointed 2.5.14) Rev M Broadley (Ex Officio) (appointed 2.5.14) Rev W Dalrymple (Ex Officio) (appointed 11.4.15) Ms D Green (appointed 2.5.14) Mr A Emberson (appointed 2.5.14, resigned 31.7.15) Mr R White (appointed 2.5.14) Mr A Duxbury (appointed 14.1.15) Mrs J Harker (appointed 2.5.14) Mrs S Weaver (appointed 2.5.14) Mrs N Ferey (appointed 2.5.14, resigned 1.10.15) Mrs E Lawton (appointed 1.10.15) Miss E Wing (appointed 2.5.14) Mrs W Wakefield (Head Teacher and Accountable Officer) (appointed 2.5.14)
Company Secretary & Financial Director	Mrs S Yates
Senior Management Team: Head Teacher Assistant Heads	Mrs W Wakefield Mrs N Ferey Mrs R Busby
Principal and Registered Office	William Street Loughborough LE11 3BY
Company Registration Number	09023805 (England and Wales)
Independent Auditor	Duncan & Toplis Limited 4 Henley Way Doddington Road Lincoln LN6 3QR

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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Bankers

NatWest Bank Plc
Market Place
Loughborough
Leicestershire
LE11 3EA

Solicitors

Lee Bolton Monier Williams
1 The Sanctuary
London
SW1P 3JT

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNORS' REPORT

The Governors present their annual report together with the financial statements and auditor's reports of the charitable company for the period 2 May 2014 to 31 August 2015. The annual report serves the purposes of both a Governors' Report and a Directors' Report under company law.

The Trust operates as an Academy for pupils aged 4 to 11 serving the area of Loughborough. It has a pupil capacity of 210 and had a roll of 206 on the school census at August 2015.

The charitable company was incorporated on 2 May 2014 and commenced as an Academy on 1 June 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 Governors of Loughborough Church of England Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Loughborough Church of England Primary School.

Details of the Governors who served during the year 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.

Governors' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £3,000,000

Method of Recruitment and Appointment or Election of Governors

Foundation Governors are elected following nomination by the Parochial Church Councils of the ecclesiastical parishes of either Loughborough Emmanuel or Loughborough All Saints with Holy Trinity to the Diocese of Leicester.

Parent Governors are elected by parents of registered pupils at the Academy. An elected Parent Governor must be a parent of a pupil at the Academy at the time s/he is elected. The election process provides for every person who is entitled to have an opportunity to do so by post, or if s/he prefers, by having a ballot paper returned to the academy trust by a registered pupil at the Academy. The Governing Body takes such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, and given an opportunity to do so. Where it is not reasonably practical to appoint a person who is the parent of a registered pupil at the Academy, a person who is a parent of a child of compulsory school age can be appointed.

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Policies and Procedures Adopted for the Induction and Training of Governors

Newly appointed Governors are provided with a copy of the Governors Handbook outlining their roles and responsibilities as Governor of the academy trust. There is also ongoing training such as Governor Induction training provided by Leicestershire County Council Governor Development Service. There is also training provided in specific areas of Governance and Management of the academy trust. Governors will also receive regular updates from the National Governor Association to keep abreast of the latest developments.

Foundation Governors also receive specific training opportunities provided by the Diocesan Board of Education for Leicester.

Organisational Structure

The Head Teacher will take on the role of Accounting Officer and the School Business Manager is Financial Director and Company Secretary.

The full Governing Body meets at least twice per term, one with a focus on Curriculum related matters and the other with a Resources focus each meeting having a Pay Committee meeting if the need arises. In addition, there is a termly meeting of the Health & Safety committee with this specific focus.

Decisions at the full Governing Body meetings are made in line with the academy trusts Articles of Association.

The academy is managed on a daily basis in line with the policies and processes approved by the Governing Body, subject to ongoing review and updating, which is also in accordance with the schools funding agreement.

Related Parties and other Connected Charities and Organisations

Our academy trust, whilst a standalone academy, is a member of the Loughborough Primary Academies Partnership. This is a network of schools based in the immediate locality which collaborates to ensure the children of Loughborough receive the best possible education. LPAP works together on developing policies, shares best practices within the educational arena and provides a network across different areas within schools such as School Business Managers, Premises Officers, etc.

Objectives and Activities

Objects and Aims

The academy trust's objective is to advance for the public benefit education in the Loughborough area by 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, having regard to advice provided by the Diocesan Board of Education.

Objectives, Strategies and Activities

The plan has been formulated with regard to both the staffing costs and number on roll for this period and is aligned to the school budget. This plan will be reviewed and actions evaluated termly.

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AREAS FOR IMPROVEMENT

Objective 1 – Outcomes for Pupils (To close individual gaps between identified groups of children)

- To improve outcomes in writing especially in KS1.
- Further develop application of basic skills in all subjects: reading, writing, spelling, handwriting and maths.
- To continue to improve the attainment and progress of disadvantaged pupils, SEND and other vulnerable groups- close the gaps.
- To increase opportunities for children with identified gifts and talents.

Objective 2 – Teaching & Learning (To further develop the implementation of the 2014 National Curriculum & Assessment processes)

- To ensure that the new assessment system is used effectively and accurately and that it is fully embedded into everyday practice.
- To embed all aspects of the new marking policy and allow children to respond effectively to feedback in order to improve their work.
- Making sure that all teachers get the opportunity to observe outstanding teaching which exists within the school and elsewhere to help them understand what it looks like in order to ensure effective learning and outstanding progress and attainment.
- Ensure that reports to parents meet statutory requirements and enable parents to support learning at home.

Objective 3 - Improve aspects of leadership, management and governance by:

- Ensuring that Governors to have greater knowledge & understanding of the new assessment and tracking procedures in school in order to hold the school to account for its performance.
- To ensure that the school is distinctive and effective as a church school.
- To take greater account of the diversity, values and experience of the school and community at large.
- To reevaluate the role of subject leaders to allow greater emphasis and focus on key areas.
- To raise the capacity of the SBM to ensure the smooth financial running of the school, to enable financial viability and seek out opportunities to gain extra monies.

Objective 4 – Pupil Development, Behaviour and Welfare (To further improve pupils' spiritual, moral, cultural and social understanding)

- Improving attendance in order to achieve a target of 97% +
- To ensure the highest standards of behaviour throughout the school
- To continue to develop e-safety procedures in school

Objective 5 – Early Years Provision (To pursue excellence in Early Years Education)

- To ensure effective use of new baseline assessment materials
- Improve parental involvement in their child's learning
- To accelerate progress in writing

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Public Benefit

The Governors confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "*Charities and Public Benefit*".

A. To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ('the Academy'); and

B. To promote for the benefit of the inhabitants of Loughborough and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

STRATEGIC REPORT

Achievements and Performance

Key performance indicators

Outcomes for Pupils / SATs results

KS1 results

		KS1	% Level 2c+	% Level 2b+	% Level 3	Points progress Entry to End KS1
2012/13		Reading	100	93.3	30	17.5
		Writing	93.3	80	10	15.7
		Maths	100	93.3	26.7	16.8
2013/14		Reading	86.7	80	30	16.2
		Writing	73.3	66.7	6.7	14.2
		Maths	93.3	76.7	13.3	15.4
2014/5		Reading	92.9	78.6	32.1	16.1
		Writing	89.3	57.1	3.6	14.4
		Maths	89.3	82.1	7.1	15.3

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KS2 results

		KS2	% Level 4+	% Level 5+	% Level 6	Points progress KS1-2
2012/13		Reading	92.6	59.3	N/A	14.7
		GPS	85.2	56	N/A	N/A
		Maths	92.6	41	N/A	13.7
		Writing TA	85.2	29.6	N/A	15.6
2013/14		Reading	100	66	0	14.7
		GPS	97	69	7	N/A
		Maths	100	31	10	13.7
		Writing TA	100	24.2	0	17.3
2014/5		Reading	100	64.5	0	14.2
		GPS	87	67.7	3.2	N/A
		Maths	100	48.4	3.2	13.7
		Writing TA	100	64.5	3.2	13.2

Y4 (TA)

		Y4 (TA)	% Level 3c+	% Level 4c+	Points progress KS1-Y4
2012/13		Reading	96.7	33.3	6.2
		GPS	N/A	N/A	N/A
		Maths	96.7	40	6.7
		Writing	96.7	12	6.5
2013/14		Reading	100	34.3	7.8
		GPS	N/A	N/A	N/A
		Maths	93.8	48	7
		Writing	96.9	15.6	7.1
2014/5		Reading	N/A	N/A	6.4
		GPS	N/A	N/A	N/A
		Maths	N/A	N/A	6.5
		Writing	N/A	N/A	6.7

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Going Concern

After making appropriate enquires, 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.

Financial Review

The academy has undertaken work during the period to establish the system of internal controls, including financial, operational and risk management which is designed to protect the academy's assets and reputation. The academy's risk register contains details of risks to which our organisation is exposed. It identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to avoid, reduce and mitigate the risks. The register includes controls in place to minimise and mitigate the potential impact on the academy. It also reflects the continuing efforts taken by the academy during the year and includes appropriate review dates for those risks. All proposed new activities are assessed for risk. Risks are rated using a consistent scoring system.

Reserves Policy

The academy's 'free' reserves are its funds after excluding restricted funds. '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 governors' discretion in furtherance of any of the academy's objects but which is not yet spent, committed or designated.

The Governors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams. The Governors have determined that the appropriate level of free reserves should be equivalent to 1 month's expenditure, which is 1 month's salary run. 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 level of free reserves at the end of the period was £181,907.

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £83,748.

Funds in deficit

The academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £444,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary and is reported within the notes to the financial statements.

Investment Policy

The academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. Where surplus cash funds are held the school will consider options available

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to optimise returns whilst ensuring the investments are such that there is no risk to the loss of these cash funds.

If it is identified that the academy is holding a level of cash funds that will be surplus to requirements, these may be invested only with:

- Lloyds TSB
- NatWest
- Barclays
- Treasury deposits with maturity dates which do not result in the cash funds being unavailable for longer than 8 weeks

On maturity of any investment the business manager will review the level of funds that continue to be available for investment and the interest rates that can be achieved in order to optimise the benefits of any subsequent investment.

The Head Teacher shall be required to authorise the transfer of funds to any investment vehicle.

The Finance Committee will authorise and minute any Investment decisions.

Principal Risks and Uncertainties

The academy trust has completed a risk register which is subject to ongoing review by the Governing Body. The risk register identifies areas which are being addressed as part of the academy trusts ongoing improvement philosophy. These areas are ongoing matters which are prioritised to ensure effective governance and risk mitigation / management.

The external and internal controls for managing risks deemed as medium and high are incorporated into Audit Action Plan. The effectiveness of the academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and / or local circumstances. In addition to the annual review, the Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the academy.

A risk register, covering low, medium and high level risks, is maintained at academy level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the academy. However, not all factors are within the academy's control and other factors besides those listed below may also adversely affect the academy.

1. Government funding

The academy has considerable reliance on continued government funding through the Education Funding Agency (EFA) and the Local Authority.

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This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- Ensuring the academy is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the academy budget process.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the academy's balance sheet in line with the requirements of FRS 17.

The academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

3. Pupil Strategy

The academy seeks to maintain its popularity with current and prospective pupils by:

- ensuring the academy delivers high quality education and training;
- maintaining and further improving inspection outcomes;
- investing in the its teaching staff and resources;
- further developing buildings and grounds.

Plans for Future Periods

The academy intends to action fully the areas of development as detailed in the School Development Plan 2015/2016.

Funds Held as Custodian Trustee on Behalf of Others


The academy does not hold any funds as Custodian Trustee on behalf of others.

Auditor

Insofar as the Governors are aware:

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

Governors' Report, incorporating a strategic report, approved by order of the Board of Trustees on 2nd December 2015 and signed on its behalf by:


.....
Mr S A Beals
Vice-Chair of Governors

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GOVERNANCE STATEMENT

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Loughborough 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 the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Loughborough Church of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met six times during the year. Attendance during the year at meetings of the Governing Body were as follows:

Trustee	Meetings attended	Out of a possible
Mr G North (Chair)	6	6
Mr S A Beals (Vice Chair)	5	6
Mr H Jones	6	6
Rev M Broadley (Ex-officio)	4	6
Rev W Dalrymple (Ex-officio April 2015)	3	6
Ms D Green	4	6
Mr A Emberson (resigned July 2014)		
Mr R White	5	6
Mr A Duxbury (appointed 14 January 2015)	4	6
Mrs J Harker	6	6
Mrs S Weaver	3	6
Mrs N Ferey (resigned September 2014)		
Mrs E Lawton (appointed October 2015)	5	6
Miss E Wing	5	6
Mrs W Wakefield (Head Teacher)	6	6

Governance reviews:

The Governors and Senior Management Team undertook an ongoing review of Governance of the academy both leading up to and following conversion. In order to improve efficiencies, provide specific focus and avoid duplication of both Governor and Senior Management Team resources; it was agreed that we would have termly Governors meetings alternating between a curriculum and finance focus; in addition to a separate Health & Safety meeting. It was considered that this would assist our governance yet be flexible should urgent matters require earlier attention. To date, this has enabled greater focus on key areas/risks, further development of skills within the Governing body along with appropriate challenge to, and support of, the School's Senior Management Team.

We have also undertaken a review of skills sets within the Governing Body to ensure that as Governors terms of office expire, we add to the existing broad range of experiences across the Governing body

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given the diverse range of responsibilities we have as an academy. This has already proved successful with recent appointments within our Governing body. We now possess a range of skills including Accountancy, Finance, Education and EYFS, Safeguarding and School Inspections. The Governing body will undertake a further review of Governance and skill sets in September 2016.

Review of Value for Money

As accounting officer the Head Teacher 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 Governing Body 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 the following.

The Governing Body, Head Teacher, management team and staff are committed to achieving best value in all aspects of Loughborough CE School to facilitate continuous improvement. Time and resource will concentrate on important issues that provide value add, and will not be wasted evaluating areas where only few improvements or minor savings can be made.

There are four principles of best value:

- Challenge - is the school's performance high enough? Why and how is a service provided? Does the school still need it? Can it be delivered differently?
- Compare – how does the school's financial and pupil performance compare with other schools?
- Consult – how does the school seek the views of stakeholders on school services?
- Compete - how does the school secure efficient, effective and quality services? Is the school getting value for money from suppliers?

The four principles of best value will be applied when making decisions about:

Staffing

Staff are deployed to provide best value in terms of quality of teaching, quality of learning, adult- pupil ratio, and curriculum management. Staffing is also managed to ensure differing needs of pupils are met.

Use of Premises

Consideration is given to the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, support services and central resources such as the library. The academy constantly assesses the premises in order to make savings on associated costs. Currently the academy has no outside lettings.

Use of Resources

Equipment, materials and services will be deployed to provide pupils and staff with resources that support quality of teaching and quality of learning. Collaboration with LPAP Loughborough Primary Academy Partnership (9 schools) is in place to share good practice, resources and economies of scale.

Teaching

The quality of curriculum provision and teaching is reviewed to provide parents and pupils with a curriculum which meets the requirements of the National Curriculum. Teaching should build on previous

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learning and incorporate high expectations of children's achievement. Training provision is in place to improve the quality of teaching and raise the percentage consistently working at an outstanding level.

Learning

The quality of children's learning is reviewed by cohort, class and group, to provide teaching that enables children to achieve above nationally expected progress. There was an increase in the delivery of out of hours learning opportunities in 2014-2015.

Purchasing

Procedures are in place for assessing need, and obtaining goods and services that provide best value in terms of suitability, efficiency, time, and cost. Measures already in place include competitive tendering procedures for goods and services, and procedures for accepting best value quotes and purchasing certain goods or services from known, reliable suppliers. Use of outside brokers in order to gain the best price point for some services and energy costs. For building and maintenance needs, the school works with YMD Boon.

Pupils' Welfare

The quality of the school environment and ethos is reviewed to provide a supportive environment conducive to learning and recreation.

Health & Safety

The quality of the school environment and equipment is reviewed and the carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors. Reports are presented to Health & Safety Committee and Governors. No major breaches in Health & Safety within 2014-2015.

Monitoring

These areas will be monitored for best value by:

- In-house monitoring by the Head Teacher, Governors, SMT and Curriculum leaders.
- Target setting meetings between the Head Teacher and Curriculum leaders.
- Annual Performance Management.
- Annual Budget Planning.
- Head's monthly financial review.
- Regular pricing review.
- Analysis of school pupil performance data by SMT and Governors.
- Analysis of Raise on-line pupil performance data.
- Analysis of financial data.
- Regular pricing review.
- Ofsted inspection reports.
- Governors' classroom observations/visits.
- Governors' meetings.
- Governors' Annual Finance Review / Accounting Officer / Auditor report.
- Governors' Annual Strategic and Development Plan Meeting.
- LPAP benchmarking.

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School Position

The school was inspected by OFSTED in November 2012 the following judgments were awarded:

Overall effectiveness:	Good Achievement
Quality of Teaching:	Good Behaviour and Safety of Pupils
Outstanding, Leadership and Management:	Good

The school was inspected by the Diocese in March 2013 and was awarded outstanding in all areas.

All audits undertaken by both the Local Authority and auditors appointed by the academy delivered positive reports.

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 Loughborough Church of England Primary School for the period 2 May 2014 to 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 2 May 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance, Audit and Premises 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 as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the auditor reports to the Finance Committee on the operation of the systems of control and on the discharge of the Governing Body financial responsibilities.


Review of Effectiveness

As Accounting Officer the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the 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 executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 2nd December 2015 and signed on its behalf by:


.....
Mr S A Beals
Vice-Chair of Governors


.....
Mrs W Wakefield
Accounting Officer

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(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Loughborough 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. 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 the EFA.



Mrs W Wakefield
Accounting Officer

Date: 2nd December 2015

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF GOVERNOR' RESPONSIBILTIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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; 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 Governors 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 Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 2nd December 2015 and signed on its behalf by:



.....
Mr S A Beals

Vice-Chair of Governors

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOUGHBOROUGH CHURCH OF ENGLAND
PRIMARY SCHOOL**

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

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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 Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' 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.

UNQUALIFIED OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the 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 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOUGHBOROUGH CHURCH OF ENGLAND
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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Timothy Godson FCA

for and on behalf of

Duncan and Topliss Limited

Chartered Accountants and Statutory Auditors

4 Henley Way
Doddington Road
Lincoln
Lincolnshire
LN6 3QR
2 December 2015

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 11 November 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 Loughborough Church of England Primary School during the period 1 June 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 Loughborough Church of England Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Loughborough Church of England 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 Loughborough Church of England Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Loughborough Church of England Primary School's funding agreement with the Secretary of State for Education dated 1 June 2014, 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 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 period 1 June 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING
AGENCY (continued)**

CONCLUSION

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



Timothy Godson FCA

Duncan and Topliss Limited

Chartered Accountants and Statutory Auditors

4 Henley Way
Doddington Road
Lincoln
Lincolnshire
LN6 3QR

2 December 2015

LOUGHBOROUGH CHURCH OF ENGLAND 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 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	6,001	16,228	-	22,229
Activities for generating funds	3	11,483	-	-	11,483
Incoming resources from charitable activities:					
Funding for the Academy trust's educational operations	5	-	1,229,665	53,189	1,282,854
Other incoming resources from charitable activities		-	-	-	-
Transfer from predecessor school	6	146,467	(374,000)	480,000	252,467
TOTAL INCOMING RESOURCES		163,951	871,893	533,189	1,569,033
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	7	576	-	-	576
Fundraising expenses and other costs	4	3,193	-	-	3,193
Funding for the Academy trust's educational operations	8	24,825	1,029,162	16,141	1,070,128
Governance costs	9	-	75,568	-	75,568
TOTAL RESOURCES EXPENDED	12	28,594	1,104,730	16,141	1,149,465
NET INCOMING / (OUTGOING)					
RESOURCES BEFORE TRANSFERS		135,357	(232,837)	517,048	419,568

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Transfers between Funds	23	46,550	(89,415)	42,865	-
NET INCOME FOR THE PERIOD		181,907	(322,252)	559,913	419,568
Actuarial gains and losses on defined benefit pension schemes		-	(38,000)	-	(38,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		181,907	(360,252)	559,913	381,568
<i>Total funds at 1 June 2014</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2015		181,907	(360,252)	559,913	381,568

All of the Academy's activities derive from acquisitions in the current financial year.

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

The notes on pages 26 to 48 form part of these financial statements.

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 09023805

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £
FIXED ASSETS			
Tangible assets	19		539,656
CURRENT ASSETS			
Stocks	20	2,000	
Debtors	21	40,225	
Cash at bank and in hand		346,090	
		<u>388,315</u>	
CREDITORS: amounts falling due within one year	22	(102,403)	
NET CURRENT ASSETS/(LIABILITIES)			<u>285,912</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>825,568</u>
Defined benefit pension scheme liability	31		(444,000)
NET ASSETS/(LIABILITIES) INCLUDING PENSION SCHEME LIABILITY			<u><u>381,568</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	23	83,748	
Restricted fixed asset funds	23	559,913	
		<u>643,661</u>	
Restricted funds excluding pension liability			
Pension reserve		(444,000)	
		<u>199,661</u>	
Total restricted funds			199,661
Unrestricted funds	23		181,907
TOTAL FUNDS			<u><u>381,568</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 2 December 2015 and are signed on their behalf, by:



Mr S A Beais

Vice-Chair of Governors

The notes on pages 26 to 48 form part of these financial statements.

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015**

	Note	Period ended 31 August 2015 £
Net cash flow from operating activities	25	222,231
Capital expenditure and financial investment	26	(22,608)
Cash transferred on conversion to an academy trust	29	146,467
INCREASE IN CASH IN THE PERIOD		346,090

All of the cash flows are derived from acquisitions in the current financial year.

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2015**

	Period ended 31 August 2015 £
Increase in cash in the period	346,090
MOVEMENT IN NET FUNDS IN THE PERIOD	346,090
Net at 1 June 2014	-
NET FUNDS AT 31 AUGUST 2015	346,090

The notes on pages 26 to 48 form part of these financial statements.

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

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

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 in the restricted fixed asset fund.

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

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

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

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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 Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £250 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.

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.

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

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

Long leasehold property	-	2% Straight line
Computer equipment	-	33% Straight line
Improvements to Property	-	2% Straight line

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.

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

1.8 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 31, 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.

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

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 £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Loughborough Church of England Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors 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 Loughborough Church of England 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.

The value of leasehold land and buildings transferred have been included in these accounts as per the notes to the accounts and depreciated over 50 years. Other assets transferred include a cash balance of £146,467. An LGPS pension deficit of £374,000 was recognised on conversion.

Further details of the transaction are set out in note 29.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Other voluntary income	6,001	16,228	22,229

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Catering income	6,355	-	6,355
Sale of goods	3,112	-	3,112
Other income	2,016	-	2,016
	<u>11,483</u>	<u>-</u>	<u>11,483</u>

4. TRADING ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Fundraising trading expenses			
Goods for resale	3,193	-	3,193
	<u>(3,193)</u>	<u>-</u>	<u>(3,193)</u>
Net expenditure from trading activities			

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Funding for the Academy's educational operations	-	1,282,854	1,282,854
	<u>-</u>	<u>1,282,854</u>	<u>1,282,854</u>

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	1,022,244	1,022,244
Start Up Grant	-	25,000	25,000
Pupil Premium	-	89,179	89,179
Other DfE/EFA Revenue grants	-	76,316	76,316
Devolved Formula Capital grant	-	6,329	6,329
Capital Maintenance grant	-	46,860	46,860
	-	1,265,928	1,265,928
Other government grants			
SEN 1-1 Funding	-	5,230	5,230
	-	5,230	5,230
Other funding			
Other income revenue	-	11,696	11,696
	-	11,696	11,696
	-	1,282,854	1,282,854

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Transfer on conversion	146,467	106,000	252,467

7. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Other expenses	576	-	576

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

8. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Funding for the Academy's educational operations	24,825	1,045,303	1,070,128

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £
Funding for the Academy's educational operations	835,930	16,141	218,057	1,070,128

9. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Governance Auditors' remuneration	-	4,590	4,590
Governance Auditors' non audit costs	-	3,760	3,760
Legal and professional fees	-	62,817	62,817
Personnel fees	-	4,401	4,401
	-	75,568	75,568

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015**

10. DIRECT COSTS

	Funding for the Academy's educational operations £	Total 2015 £
Educational supplies	34,101	34,101
Technology costs	1,617	1,617
Staff development	154	154
Other costs	1,755	1,755
Wages and salaries	557,044	557,044
National insurance	34,266	34,266
Pension cost	95,077	95,077
Depreciation	16,141	16,141
	<u>740,155</u>	<u>740,155</u>

11. SUPPORT COSTS

	Funding for the Academy's educational operations £	Total 2015 £
Other finance income less expenses	12,000	12,000
Technology costs	1,018	1,018
Recruitment and support	209	209
Maintenance of premises and equipment	37,952	37,952
Cleaning	4,431	4,431
Rent and rates	11,266	11,266
Energy costs	18,835	18,835
Insurance	8,527	8,527
Telephone, postage and stationery	5,573	5,573
Catering	43,069	43,069
Other costs	27,538	27,538
Operating leases - other	10,012	10,012
Wages and salaries	111,546	111,546
National insurance	3,843	3,843
Pension cost	34,154	34,154
	<u>329,973</u>	<u>329,973</u>

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
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12. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure	Total
	Premises	Other costs	
	2015	2015	2015
	£	£	£
Costs of generating voluntary income	-	576	576
Fundraising expenses	-	3,193	3,193
Costs of generating funds	-	3,769	3,769
Direct costs	686,387	8,250	740,155
Support costs	149,543	103,416	329,973
Charitable activities	835,930	111,666	1,070,128
Governance	-	75,568	75,568
	835,930	201,869	1,149,465

13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total
	2015	2015	2015
	£	£	£
Funding for the Academy's educational operations	740,155	329,973	1,070,128

14. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	Period ended 31 August 2015 £
Depreciation of tangible fixed assets:	
- owned by the charity	16,141
Auditors' remuneration	4,590
Auditors' remuneration - non audit	3,760

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15. STAFF

a. Staff costs

Staff costs were as follows:

	Period ended 31 August 2015 £
Wages and salaries	668,590
Social security costs	38,109
Other pension costs (Note 31)	129,231
	<hr/> 835,930 <hr/>

b. Staff numbers

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

	Period ended 31 August 2015 No.
Teachers	7
Management	1
Administration and support	14
	<hr/> 22 <hr/>

c. Higher paid staff

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

	Period ended 31 August 2015 No.
In the band £80,001 - £90,000	1

The above employee earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions for the members of staff amounted to £11,495.

The above bands are based on a 15 month period, if figures were reported on an annualised basis the highest paid employee would have fallen into the band of £65,001 - £70,000.

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GOVERNORS' REMUNERATION AND EXPENSES

Only the Headteacher and other staff Governors only receive remuneration in respect of services they provide in the roles of Principal and staff, and not in respect of their services as Governors. Other Governors do not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2015 £'000
Mr. [Name], Headteacher	
Remuneration	80-85
Pension contribution	10-15
Mr. [Name], Staff Governor	
Remuneration	5-10
Pension contribution	0-5

During the period, no Governors received any benefits in kind.

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

GOVERNORS' AND OFFICERS' INSURANCE

In line with normal commercial practice the Academy has purchased insurance to protect the Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on duty in the course of business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the period ended 31 August 2015 was £1,870. The cost of this insurance is included in the total insurance costs.

PENSION INCOME

	Period ended 31 August 2015 £
Return on pension scheme assets	26,000
Pension scheme liabilities	(38,000)
	<hr/> (12,000) <hr/>

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19. TANGIBLE FIXED ASSETS

	Long leasehold property £	Fixtures and fittings £	Computer equipment £	Improvement s to Property £	Total £
Cost					
Additions	480,000	31,947	10,918	32,932	555,797
At 31 August 2015	480,000	31,947	10,918	32,932	555,797
Depreciation					
Charge for the period	8,250	5,344	2,547	-	16,141
At 31 August 2015	8,250	5,344	2,547	-	16,141
Net book value					
At 31 August 2015	471,750	26,603	8,371	32,932	539,656

Included in long leasehold property is leasehold land at valuation of £150,000 which is not depreciated.

The freehold of the school site is owned by Leicester Diocesan Board of Education. There is no formal lease in place for the Academy's occupation of its premises and hence there is no legally defined entitlement or set period of tenure. Instead, Church of England policy is that Academies are permitted to use Diocesan land under licence.

In order to comply with Financial Reporting Standards and to reflect the economic substance over legal form, the Trustees have included a notional value of the land and buildings occupied by the Academy to reflect the asset under its stewardship.

The land and buildings have been included within the accounts at 31 August 2015 at their continuing use value, based on assessment undertaken by the academy solicitors as at 12 June 2014.

20. STOCKS

	2015 £
Finished goods and goods for resale	2,000

21. DEBTORS

	2015 £
Trade debtors	896
Other debtors	28,906
Prepayments and accrued income	10,423
	40,225

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22. CREDITORS:
Amounts falling due within one year

	2015 £
Trade creditors	51,128
Other taxation and social security	10,099
Other creditors	11,984
Accruals and deferred income	29,192
	<u>102,403</u>

At the balance sheet date, the academy was holding funds received in advance for school trips and Universal Infant Free School Meals.

Deferred income	£
Resources deferred during the year	<u>20,042</u>

23. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	-	163,951	(28,594)	46,550	-	181,907
Restricted funds						
General Annual Grant (GAG)	-	1,022,244	(920,631)	(17,865)	-	83,748
Start up Grant	-	25,000	-	(25,000)	-	-
Other DfE/EFA grants	-	165,495	(118,945)	(46,550)	-	-
Government grants	-	5,230	(5,230)	-	-	-
Other income	-	27,924	(27,924)	-	-	-
Pension reserve	-	(374,000)	(32,000)	-	(38,000)	(444,000)
	<u>-</u>	<u>871,893</u>	<u>(1,104,730)</u>	<u>(89,415)</u>	<u>(38,000)</u>	<u>(360,252)</u>

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

Restricted fixed asset funds

DfE/EFA capital grants	-	53,189	-	-	-	53,189
Capital expenditure from GAG	-	-	(7,891)	42,865	-	34,974
Capital expenditure from other income	-	480,000	(8,250)	-	-	471,750
	-	533,189	(16,141)	42,865	-	559,913
Total restricted funds	-	1,405,082	(1,120,871)	(46,550)	(38,000)	199,661
Total of funds	-	1,569,033	(1,149,465)	-	(38,000)	381,568

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Start up grant - these grants are awarded to assist the Academy during the conversion from a school. These were for recurrent expenditure, with any unspent funds available to carry forward.

Other DfE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £32,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £38,000 actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed

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

assets.

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 2015.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	163,951	(28,594)	46,550	-	181,907
Restricted funds	-	871,893	(1,104,730)	(89,415)	(38,000)	(360,252)
Restricted fixed asset funds	-	533,189	(16,141)	42,865	-	559,913
	-	1,569,033	(1,149,465)	-	(38,000)	381,568

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Tangible fixed assets	-	-	539,656	539,656
Current assets	186,607	181,451	20,257	388,315
Creditors due within one year	(4,700)	(97,703)	-	(102,403)
Provisions for liabilities and charges	-	(444,000)	-	(444,000)
	181,907	(360,252)	559,913	381,568

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**NOTES TO THE FINANCIAL STATEMENTS
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25. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	Period ended 31 August 2015 Total £
Net incoming resources before revaluations	419,568	-	419,568
Pension deficit on conversion to an academy	374,000	-	374,000
Transfer on conversion to an academy	(626,467)	-	(626,467)
Depreciation of tangible fixed assets	16,141	-	16,141
Capital grants from DfE	(53,189)	-	(53,189)
(Increase)/decrease in stocks	(2,000)	-	(2,000)
Increase in debtors	(40,225)	-	(40,225)
Increase in creditors	102,403	-	102,403
FRS 17 adjustments	32,000	-	32,000
Net cash inflow from operations			222,231

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

	Period ended 31 August 2015 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(75,797)
Capital grants from DfE	53,189
Net cash outflow capital expenditure	(22,608)

27. ANALYSIS OF CHANGES IN NET FUNDS

	1 June 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	-	346,090	-	346,090
Net funds	-	346,090	-	346,090

28. MAJOR NON-CASH TRANSACTIONS

Included in note 24 to the cash flow is £480,000 which relates to the gift of leasehold land and buildings from the Local Authority upon conversion to the Academy, this did not include the transfer of cash.

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29. CONVERSION TO AN ACADEMY TRUST

On 1 June 2014 Loughborough Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Loughborough Church of England Primary School from Leicestershire County Council for £nil 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.

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 £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	480,000	480,000
Budget surplus/(deficit) on other school funds	146,467	-	-	146,467
LGPS pension surplus/(deficit)	-	(374,000)	-	(374,000)
Net assets/(liabilities)	<u>146,467</u>	<u>(374,000)</u>	<u>480,000</u>	<u>252,467</u>

The above net assets include £146,467 that were transferred as cash.

The Academy's land and buildings are held by Leicestershire County Council who have agreed to grant a long lease to the Academy. There is currently a tenancy at will in place where a peppercorn rent is paid by the Academy. These land and buildings have been valued and are included in the financial statements both within fixed assets and as a gift in kind.

30. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy servicing notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy's site and premises and other assets held for the Academy; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

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31. 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £7,375 were payable to the scheme at 31 August 2015 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.

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' Pensions website.

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31. PENSION COMMITMENTS (continued)

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 reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (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 2015 was £64,000, of which employer's contributions totalled £50,000 and employees' contributions totalled £14,000. The agreed contribution rates for future years are 19.4% for employers and various% 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.

As described in note 29 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS
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31. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £
Equities	3.70	274,000
Bonds	3.70	87,000
Property	3.70	46,000
Cash	3.70	8,000
Total market value of assets		<u>415,000</u>
Present value of scheme liabilities		<u>(859,000)</u>
Deficit in the scheme		<u><u>(444,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	Period ended 31 August 2015 £
Present value of funded obligations	(859,000)
Fair value of scheme assets	<u>415,000</u>
Net liability	<u><u>(444,000)</u></u>

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

	Period ended 31 August 2015 £
Current service cost	(70,000)
Interest on obligation	(38,000)
Expected return on scheme assets	<u>26,000</u>
Total	<u><u>(82,000)</u></u>
Actual return on scheme assets	<u><u>26,000</u></u>

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31. PENSION COMMITMENTS (continued)

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

	Period ended 31 August 2015 £
Opening defined benefit obligation	699,000
Current service cost	70,000
Interest cost	38,000
Contributions by scheme participants	14,000
Actuarial Losses	38,000
Benefits paid	-
	<hr/>
Closing defined benefit obligation	859,000 <hr/>

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

	Period ended 31 August 2015 £
Opening fair value of scheme assets	325,000
Expected return on assets	26,000
Contributions by employer	50,000
Contributions by employees	14,000
Benefits paid	-
	<hr/>
	415,000 <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £38,000.

The Academy expects to contribute £43,000 to its Defined benefit pension scheme in 2016.

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

	2015
Equities	66.00 %
Bonds	21.00 %
Property	11.00 %
Cash	2.00 %

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

	2015
Discount rate for scheme liabilities	3.70 %
Expected return on scheme assets at 31 August	3.70 %
Rate of increase in salaries	4.50 %
Rate of increase for pensions in payment / inflation	2.60 %

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31. PENSION COMMITMENTS (continued)

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

	2015
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

	2015 £
Defined benefit obligation	(859,000)
Scheme assets	415,000
Deficit	(444,000)
Experience adjustments on scheme liabilities	(38,000)
Experience adjustments on scheme assets	-

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approx. % increase to employer liability %	Approx. monetary amount £
0.5% decrease in Real Discount Rate	10	88,000
1 year increase in member life expectancy	3	26,000
0.5% increase in Salary Increase Rate	4	31,000
0.5% increase in the Pension Increase Rate	6	56,000

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32. OPERATING LEASE COMMITMENTS

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

	Land and buildings 2015 £	Other 2015 £
Expiry date:		
Between 2 and 5 years	-	4,408

33. RELATED PARTY TRANSACTIONS

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

There were no transactions with related parties during the year.

34. CONTROLLING PARTY

The Governors have ultimate control of the Academy.