

Registration number: 08388074

Rothley 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 Statutory Auditor
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Rothley Church of England Primary School

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Rothley Church of England Primary School

Reference and Administrative Details

Members	Rev R M Gladstone Mrs K R Croden The Diocese of Leicester Educational Trust Mr D Trinder (appointed 22 September 2015)
Governors and Trustees (Directors)	Mr T Regan Mrs F Parr Mr D Trinder (Chair) (appointed 1 December 2014) Mrs J Wainwright Mr B Popple Mrs E M Stott Mrs K R Barrs Mrs W J Reynolds (resigned 27 April 2015) Mr M Cook Mr P Taylor (resigned 18 September 2014) Mr I Maynard-Smith (appointed 1 December 2014) Mrs E Pilbeam (appointed 10 June 2015)
Company Secretary	Mrs J Parr
Senior Management Team	Mrs F Parr, Head Teacher Mrs K R Barrs, Deputy Head Mr C Shaw, Assistant Head
Principal and Registered Office	2 Burrow Drive Rothley Leicester Leicestershire LE7 7RZ
Company Registration Number	08388074
Auditors	Haines Watts Leicester LLP Chartered Accountants and Statutory Auditor Hamilton Office Park 31 High View Close Leicester LE4 9LJ
Bankers	Lloyds Bank Plc 7 High Street Leicester Leicestershire LE1 9FS

Rothley Church of England Primary School

Reference and Administrative Details (continued)

Solicitors

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

Rothley 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.

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 was incorporated on 4 February 2013 and commenced operating as an Academy on 1 July 2013.

The Governors act as the Trustees for the charitable activities of Rothley Church of England Primary School and are also the directors of the charitable company for the purposes of company law.

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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

The members may agree unanimously in writing to appoint additional members as they think fit and may unanimously in writing agree to remove any members other than a member appointed by the Secretary of State.

All Trustees (Governors) are appointed following recommended procedures issued by the Leicestershire County Council Governor Development Service and the Leicester Diocesan Board of Education.

Policies and procedures adopted for the induction and training of Trustees

The Academy buys into the Governor Development Service of Leicestershire County Council which provides advice to the Board of Trustees, induction training and other specified courses as required.

Rothley Church of England Primary School

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

Organisational structure

A unified management structure is utilised to ensure the Academy is run effectively. The structure consists of two levels, the Board of Trustees and the Senior Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Trustees generally meets once a term, with additional meetings held if required.

Additionally there are the following sub committees of the Board of Trustees:-

Finance Committee (currently meeting once every half term)

Pay Committee (meets once per year)

Achievement Group (meets as required, minimum of twice per year)

Teaching and Learning Group (meets as required, minimum of once per year)

Behaviour and Safety Group (meets as required, minimum of once per year)

Leadership and Management Group (meets as required, minimum of once per year)

Risk management

The Trustees have assessed the major risks to which the Academy is exposed and have produced an Emergency Management and Business Continuity Plan. An Academy Emergency Management Team has been established and any major risks identified have been addressed. The plan will be monitored internally and reviewed annually by the Board of Trustees. The Trustees have established a detailed Risk Register, which summarises the assessed critical risks to the organisation.

Connected organisations, including related party relationships

There were no connected organisations for the period ended 31 August 2015.

Objectives and activities

Objects and aims

The principal activity of the charitable company is to advance for the public benefit education of 4 to 11 year olds in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

Objectives, strategies and activities

Together we aim to develop the Christian character of the school by striving towards delivering an excellent education and being committed to celebrating and valuing the gifts of each individual.

Public benefit

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the requirements of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

Rothley Church of England Primary School

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

Strategic Report

Achievements and performance

Rothley C of E Primary School Assessment Results 2015

Key Stage 1

Year 1

Phonics Screening	Number Children	Passed	%
	62	58	94

Year 2

	Below Level 1	Level 1 or above	Level 2 or above	Level 2b or above	Level 3 or above
Writing	0%	100%	96%	78%	22%
Reading	0%	100%	98%	95%	44%
Mathematics	0%	100%	93%	82%	26%

Key Stage 2

	Below level 3	Level 3 or above	Level 4 or above	Level 5 or above	Level 6
English grammar, punctuation and spelling	4%	96%	81%	44%	4%
Writing	2%	98%	90%	54%	2%
Reading	0%	100%	92%	62%	0%
Mathematics	2%	98%	88%	52%	12%

Going concern

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

Principal risks and uncertainties

Due to a large number of new houses being built in the catchment area a brand new school for Rothley has been built on a new site. The school took occupancy of the premises in January 2015. As a result of these new housing developments our numbers on roll are increasing. For the next few years we will be working in a 'catch up' situation when our funding is going to be based on significantly lower pupil numbers than our actual numbers on roll.

The trustees also deem future changes to the government's education funding formula to be a potential risk.

Rothley Church of England Primary School

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

Strategic Report

Financial review

The majority of Rothley CofE Primary School's annual income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of a General Annual Grant (GAG) the use of which is restricted for particular purposes. Such grants and all associated expenditure are shown as restricted funds for the statement of financial activities for the year ended 31 August 2015.

During the year ended 31 August 2015 the Academy recorded a surplus of £2,971,733 (2014: deficit £80,158), across all funds. Excluding the effects of depreciation, disposal of the old school premises, addition of the new school premises and the actuarial loss on the Local Government Pension Scheme, the Academy had restricted general funds and unrestricted funds carried forward at 31 August 2015 of £nil (2014: £45,191) and £9,206 (2014: £76,766) respectively.

During the year the school moved premises to a newly built school. The old school site has been derecognised in the accounts, the net book value of the long leasehold land and buildings derecognised was £3,478,572. The new school site has been capitalised on the same basis at a valuation of £6,552,100.

The move to the new school has entailed significant additional capital expenditure for furniture, ICT equipment and additional fixtures and fittings. These costs were planned and carefully budgeted and have been funded by the trust's reserves brought forward and income arising in the year.

The school has also had to manage educating more children than funded for. The funding received in 14/15 was based on 356 children and the school had to educate 374 children in September 2014, rising to 382 by July 2015.

The Academy has looked at generating alternative income streams. During the year the school continued to provide a Bursar service to other local primary schools. The Head Teacher is an Ofsted Inspector and income has been generated from her inspection work. In September 2015 the Trust opened a nursery school.

Financial and risk management objectives and policies

The Academy's exposure to risk is largely bank balances, cash and trade creditors, with limited trade and debtors. Through careful management, cash flow risk is limited to ensure the Academy has sufficient funds available to meet debts as they fall due. The Board of Trustees maintains prudent cash reserves at all times.

The Academy has inherited the Local Government defined benefit pension scheme deficit, which is set out in this annual report. It considers that the Academy is able to meet its known contribution commitments to 2017. After this date it will adopt the recommended deficit reduction policy as advised by the scheme actuary.

Reserves policy

The Finance Committee regularly reviews the nature of income and expenditure streams and the need to match income with commitments, to have regard to the potential liabilities which may arise, to identify and maintain an appropriate level of free reserves, and to consider and set aside funds for significant projects that cannot be met by future income alone.

Investment policy

To deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its objects but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification.

Rothley Church of England Primary School

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

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.

Approved by order of the Board of Trustees on 17 December 2015 and signed on its behalf by:

.....
Mr D Trinder (Chair)
Governor and trustee

Rothley Church of England Primary School

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Rothley 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 Board of Trustees has delegated the day-to-day responsibility to Mrs F Parr, 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 Rothley Church of England Primary School and the Secretary of State for Education. She is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Regan	3	4
Mrs F Parr	4	4
Mrs K R Barrs	3	4
Rev R M Gladstone	4	4
Mrs K R Croden	4	4
Mrs J Wainwright	4	4
Mr B Popple	2	4
Mrs E M Stott	2	4
Mrs W J Reynolds	3	3
Mr M Cook	2	4
Mr P Taylor	0	1
Mr I Maynard-Smith	3	3
Mrs E Pilbeam	1	1
Mr D Trinder	3	3

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to determine the school's strategic financial development, review and approve the school budget, receive regular financial reports from the finance manager, determine the school's financial priorities through the School Development Plan (SDP), make decisions on expenditure within the committee's delegated powers, review annually the school's Financial Accounts Policy and Scheme of Delegation, review annually its own terms of reference, maintain an up to date Register of Pecuniary Interests, review all ongoing contracts, review leasing agreements, award contracts by tender up to a specified limit, prepare an annual Value for Money Statement. The committee also acts as the audit committee of the Academy.

Attendance at meetings during the year was as follows:

Rothley Church of England Primary School

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
Mrs F Parr	4	4
Mrs K R Barrs	4	4
Mrs J Wainwright	4	4
Mr P Taylor	0	1
Mr T Regan	1	3
Mr D Trinder	2	2

Review of value for money

As accounting officer the governor and trustee 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 ensuring all work carried out at the new school has been done at the best price possible whilst also ensuring a high quality of craftsmanship. Due to the move to new premises we have taken the opportunity to review all service contracts and ensure the best service/price is negotiated. We are also in regular contact with the builders to ensure all snagging issues are addressed and any ongoing problems resolved as soon as possible. The school has attempted to limit the cost of moving to new premises by doing as much work 'in house' as possible.

We are constantly reviewing our staffing structure to ensure best use of our staffing resources.

We have looked at our new premises and have made plans to utilise the additional facilities we now have to generate future income streams.

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 Rothley 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 Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal 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 Board of Trustees.

Rothley Church of England Primary School

Governance Statement (continued)

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 Board of Trustees;
- regular reviews by the Finance 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 Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Leicestershire County Council's Internal Audit Department 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. Annually, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

A full internal audit was conducted in May 2014. The overall opinion of the Internal Auditor was 'that the Academy's financial management is above the standard that we measure against'. A further internal audit was conducted in May 2015 and no concerns were expressed.

Review of effectiveness

As Accounting Officer, Mrs F Parr 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 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 Board of Trustees on 17 December 2015 and signed on its behalf by:

.....
Mrs F Parr
Governor and trustee

.....
Mr D Trinder (Chair)
Governor and trustee

Rothley Church of England Primary School

Statement on Regularity, Propriety and Compliance

As accounting officer of Rothley Church of England Primary School I have considered my responsibility to notify the academy trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

.....
Mrs F Parr
Accounting officer

17 December 2015

Rothley 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 Board of Trustees on 17 December 2015 and signed on its behalf by:

.....
Mr D Trinder (Chair)
Governor and trustee

Rothley Church of England Primary School

Independent Auditor's Report on the Financial Statements to the Members of Rothley Church of England Primary School

We have audited the financial statements of Rothley 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 12), 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.

Rothley Church of England Primary School

Independent Auditor's Report on the Financial Statements to the Members of Rothley 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

17 December 2015

Rothley Church of England Primary School

Independent Reporting Accountant's Report on Regularity to Rothley Church of England Primary School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 30 July 2013 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 Rothley 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 Board of Trustees and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Board of Trustees 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 Board of Trustees 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 Board of Trustees's funding agreement with the Secretary of State for Education dated 1 July 2013 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.

Rothley Church of England Primary School

Independent Reporting Accountant's Report on Regularity to Rothley 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 (Senior Statutory Auditor)
For and on behalf of Haines Watts Leicester LLP, Chartered Accountants

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

17 December 2015

Rothley 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	-	-	50,000	50,000	-
Activities for generating funds	3	57,367	-	-	57,367	33,116
Investment income	4	437	-	-	437	206
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	1,337,243	11,279	1,348,522	1,224,704
Other incoming resources	6	-	-	6,552,100	6,552,100	(465)
Total incoming resources		<u>57,804</u>	<u>1,337,243</u>	<u>6,613,379</u>	<u>8,008,426</u>	<u>1,257,561</u>
Resources expended						
<i>Cost of generating funds:</i>						
Cost of generating funds		4,345	-	-	4,345	-
<i>Charitable activities:</i>						
Academy's educational operations		-	1,414,711	3,612,594	5,027,305	1,268,766
Governance costs	9	-	9,043	-	9,043	8,953
Total resources expended	7	<u>4,345</u>	<u>1,423,754</u>	<u>3,612,594</u>	<u>5,040,693</u>	<u>1,277,719</u>
Net incoming/(outgoing) resources before transfers		53,459	(86,511)	3,000,785	2,967,733	(20,158)
Gross transfers between funds		<u>(121,019)</u>	<u>22,320</u>	<u>98,699</u>	<u>-</u>	<u>-</u>
Net (expenditure)/income for the year		(67,560)	(64,191)	3,099,484	2,967,733	(20,158)
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension scheme	24	-	4,000	-	4,000	(60,000)
Net movement in (deficit)/funds		(67,560)	(60,191)	3,099,484	2,971,733	(80,158)

Rothley 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)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Reconciliation of funds					
Funds/(deficit) brought forward at 1 September 2014	<u>76,766</u>	<u>(180,809)</u>	<u>3,493,173</u>	<u>3,389,130</u>	<u>3,469,288</u>
Funds/(deficit) carried forward at 31 August 2015	<u><u>9,206</u></u>	<u><u>(241,000)</u></u>	<u><u>6,592,657</u></u>	<u><u>6,360,863</u></u>	<u><u>3,389,130</u></u>

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.

Rothley Church of England Primary School

(Registration number: 08388074) Balance Sheet as at 31 August 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	13	6,592,657	3,492,273
Current assets			
Debtors	14	37,724	41,947
Cash at bank and in hand		88,873	179,631
		<u>126,597</u>	<u>221,578</u>
Creditors: Amounts falling due within one year	15	<u>(117,391)</u>	<u>(98,721)</u>
Net current assets		<u>9,206</u>	<u>122,857</u>
Total assets less current liabilities		<u>6,601,863</u>	<u>3,615,130</u>
Net assets excluding pension liability		6,601,863	3,615,130
Pension scheme liability	24	<u>(241,000)</u>	<u>(226,000)</u>
Net assets including pension liability		<u><u>6,360,863</u></u>	<u><u>3,389,130</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		-	45,191
Restricted fixed asset fund		6,592,657	3,493,173
Restricted pension fund		<u>(241,000)</u>	<u>(226,000)</u>
		6,351,657	3,312,364
Unrestricted funds			
Unrestricted general fund		<u>9,206</u>	<u>76,766</u>
Total funds		<u><u>6,360,863</u></u>	<u><u>3,389,130</u></u>

The financial statements on pages 17 to 40 were approved by the Trustees, and authorised for issue on 17 December 2015 and signed on their behalf by:

.....
Mrs F Parr
Governor and trustee

.....
Mr D Trinder (Chair)
Governor and trustee

Rothley Church of England Primary School

Cash Flow Statement for the Year Ended 31 August 2015

	Note	2015 £	2014 £
Net cash inflow from operating activities	19	3,142,011	127,146
Returns on investments and servicing of finance	20	437	206
Capital expenditure and financial investment	21	<u>(3,233,206)</u>	<u>(3,775)</u>
(Decrease)/increase in cash in the year	22	<u>(90,758)</u>	<u>123,577</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the year		(90,758)	123,577
Net funds at 1 September 2014		<u>179,631</u>	<u>56,054</u>
Net funds at 31 August 2015		<u>88,873</u>	<u>179,631</u>

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

Rothley 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.

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.

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.

Rothley Church of England Primary School

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

1 Accounting policies (continued)

Resources expended

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

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.

Rothley 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 £250 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.

Depreciation is provided on all tangible fixed assets other than freehold 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.

Rothley Church of England Primary School (the Academy Trust Company) occupies land (including buildings) which are owned by the Incumbent and Churchwardens of the Parish of Rothley (the Trustees). The Trustees are the providers of the land and buildings to the Academy on the same basis as when the Academy was a maintained school. The Academy Trust company occupies the land and buildings under an ongoing licence, terminable with two years notice.

The value of the land and buildings has been included within the accounts at fair value on the basis that the Academy Trust has continuing and expected future occupation and enjoyment of the land and buildings.

Asset class	Depreciation method and rate
Long leasehold buildings	Over 50 years straight line basis
Long leasehold land	Not depreciated
Furniture and equipment	Over 3 years, straight line basis
Computer equipment	Over 3 years straight line basis

Leased assets

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

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.

Rothley 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

	Restricted fixed asset funds £	Total 2015 £
Other donations	<u>50,000</u>	<u>50,000</u>

Rothley 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 £
Hire of facilities	-	-	600
Other income	<u>57,367</u>	<u>57,367</u>	<u>32,516</u>
	<u><u>57,367</u></u>	<u><u>57,367</u></u>	<u><u>33,116</u></u>

4 Investment income

	Unrestricted funds £	Total 2015 £	Total 2014 £
Short term deposits	<u>437</u>	<u>437</u>	<u>206</u>

Rothley Church of England Primary School

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

5 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
DfE/EFA capital grants				
Devolved capital grant	-	11,279	11,279	4,675
DfE/EFA revenue grants				
General Annual Grant (GAG)	1,226,380	-	1,226,380	1,141,455
Other government grants				
SEN funding from local authority	14,407	-	14,407	4,875
Other government grants	9,490	-	9,490	9,470
Pupil premium	69,454	-	69,454	51,882
	<u>93,351</u>	<u>-</u>	<u>93,351</u>	<u>66,227</u>
Non-government grants and other income				
Other income	17,512	-	17,512	12,347
Total grants	<u>1,337,243</u>	<u>11,279</u>	<u>1,348,522</u>	<u>1,224,704</u>

6 Other incoming resources

	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
Funds Inherited on Conversion	-	-	(465)
Income from donations	6,552,100	6,552,100	-
	<u>6,552,100</u>	<u>6,552,100</u>	<u>(465)</u>

Rothley Church of England Primary School

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

7 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £	Total 2014 £
Costs of activities for generating funds	834	-	3,511	4,345	-
Academy's educational operations					
Direct costs	912,309	-	127,502	1,039,811	953,636
Allocated support costs	163,259	3,695,480	128,755	3,987,494	315,130
	<u>1,075,568</u>	<u>3,695,480</u>	<u>256,257</u>	<u>5,027,305</u>	<u>1,268,766</u>
Governance costs including allocated support costs	-	-	9,043	9,043	8,953
	<u>-</u>	<u>-</u>	<u>9,043</u>	<u>9,043</u>	<u>8,953</u>
	<u><u>1,076,402</u></u>	<u><u>3,695,480</u></u>	<u><u>268,811</u></u>	<u><u>5,040,693</u></u>	<u><u>1,277,719</u></u>

Rothley Church of England Primary School

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

7 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	2015	2014
	£	£
Fees payable to auditor - audit	4,550	4,450
- other audit services	400	350
Depreciation of tangible fixed assets - owned	<u>55,647</u>	<u>60,150</u>

8 Charitable activities

	Total 2015	Total 2014
	£	£
Direct costs - educational operations		
Teaching and educational support staff costs	912,309	835,500
Technology costs	6,234	16,133
Educational supplies	25,123	17,766
Staff development	9,779	7,844
Other direct costs	<u>86,366</u>	<u>76,393</u>
	<u>1,039,811</u>	<u>953,636</u>
Support costs - educational operations		
Support staff costs	148,259	135,013
FRS 17 service cost adjustment	15,000	6,000
Depreciation	132,822	60,150
Maintenance of premises and equipment	12,014	8,577
Cleaning	11,198	7,224
Rent, rates and utilities	38,278	30,877
Insurance	21,396	18,156
Catering	66,526	14,056
Bank interest and charges	25	25
Expected return on scheme assets	(14,000)	(10,000)
Interest on defined benefit pension scheme	18,000	15,000
Other support costs	58,204	30,052
Disposal of school premises	3,478,572	-
(Profit)/loss on disposal of fixed assets	<u>1,200</u>	<u>-</u>
	<u>3,987,494</u>	<u>315,130</u>
Total direct and support costs	<u>5,027,305</u>	<u>1,268,766</u>

Rothley Church of England Primary School

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

9 Governance costs

	Total 2015 £	Total 2014 £
Legal and professional fees	4,093	4,153
Auditors' remuneration		
Audit of financial statements	4,550	4,450
Other audit services	400	350
	9,043	8,953

10 Staff

Staff costs

	2015 £	2014 £
Staff costs during the year were:		
Wages and salaries	861,067	791,804
Social security costs	54,230	48,104
Pension costs	146,111	121,431
Supply teacher costs	14,994	15,174
	1,076,402	976,513

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	14	13
Administration and support	16	14
Management	3	3
	33	30

Rothley Church of England Primary School

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

10 Staff (continued)

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

	2015	2014
	No	No
£60,001 - £70,000	<u>1</u>	<u>1</u>

18 (2014 - 18) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £84,380 (2014 - £77,680). 27 (2014 - 22) of the above employees participated in the Local Government Pension Scheme, pension contributions amounted to £48,252 (2014 - £43,751).

11 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:

Mrs F Parr (Head teacher): £65,000 - £70,000 (2014 - £65,000 - £70,000)

Mrs K R Barrs (Deputy head teacher): £45,000 - £50,000 (2014 - £45,000 - £50,000)

Mrs W J Reynolds (Learning support assistant): £10,000 - £15,000 (2014 - £10,000 - £15,000)

Mrs E Pilbeam (Learning support assistant): £10,000 - £15,000 (2014 - £10,000 - £15,000)

Other related party transactions involving the trustees are set out in note 25.

12 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,360 (2014 - £1,360).

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

Rothley Church of England Primary School

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

13 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2014	3,540,300	14,340	7,600	3,562,240
Additions	6,552,100	85,195	75,683	6,712,978
Disposals	<u>(3,540,300)</u>	<u>(5,000)</u>	<u>-</u>	<u>(3,545,300)</u>
At 31 August 2015	<u>6,552,100</u>	<u>94,535</u>	<u>83,283</u>	<u>6,729,918</u>
Depreciation				
At 1 September 2014	61,728	5,499	2,740	69,967
Charge for the year	77,175	28,161	27,486	132,822
Eliminated on disposals	<u>(61,728)</u>	<u>(3,800)</u>	<u>-</u>	<u>(65,528)</u>
At 31 August 2015	<u>77,175</u>	<u>29,860</u>	<u>30,226</u>	<u>137,261</u>
Net book value				
At 31 August 2015	<u>6,474,925</u>	<u>64,675</u>	<u>53,057</u>	<u>6,592,657</u>
At 31 August 2014	<u>3,478,572</u>	<u>8,841</u>	<u>4,860</u>	<u>3,492,273</u>

During the year the Academy Trust moved from its premises at Mountsorrel Lane, Rothley, Leicestershire to new school premises at 2 Burrow Drive, Rothley, Leicestershire. The Academy Trust previously recognised a long leasehold interest on conversion in 2013 and the value of the school premises capitalised by the Academy Trust at that time was £3,540,300, based on a professional valuation, assuming a leasehold interest of 125 years. The net book value of the school premises has been derecognised due to the Academy Trust vacating the premises during the period. The new school premises has been capitalised on the same basis at a value of £6,552,100, which includes non-depreciable land of £764,000.

14 Debtors

	2015 £	2014 £
Trade debtors	2,023	947
Prepayments	17,702	15,181
Accrued grant and other income	12,800	14,400
VAT recoverable	5,199	8,267
Other debtors	<u>-</u>	<u>3,152</u>
	<u>37,724</u>	<u>41,947</u>

Rothley Church of England Primary School

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

15 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	-	1,291
Other taxation and social security	33,470	30,217
Accruals	21,508	14,496
Deferred income	62,413	52,717
	117,391	98,721

		2015 £
Deferred income		
Deferred income at 1 September 2014		52,717
Resources deferred in the period		62,413
Amounts released from previous periods		(52,717)
Deferred income at 31 August 2015		62,413

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, rates relief and devolved capital grant money.

16 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 (GAG)	45,191	1,226,380	(1,293,891)	22,320	-
Other DfE/EFA grants	-	93,351	(93,351)	-	-
Non-government grants and other income	-	17,512	(17,512)	-	-
	45,191	1,337,243	(1,404,754)	22,320	-
Restricted fixed asset funds					
Long leasehold land and buildings	3,478,572	6,552,100	(3,555,747)	-	6,474,925
Other tangible fixed assets	14,601	61,279	(56,847)	98,699	117,732
	3,493,173	6,613,379	(3,612,594)	98,699	6,592,657

Rothley Church of England Primary School

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

16 Funds (continued)

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted pension funds					
Pension reserve	(226,000)	-	(19,000)	4,000	(241,000)
Total restricted funds	3,312,364	7,950,622	(5,036,348)	125,019	6,351,657
Unrestricted funds					
Unrestricted general funds	76,766	57,804	(4,345)	(121,019)	9,206
Total funds	<u>3,389,130</u>	<u>8,008,426</u>	<u>(5,040,693)</u>	<u>4,000</u>	<u>6,360,863</u>

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

Restricted general funds

This fund represents grants received for the Academy's operational activities and development. This includes the pension reserve, which represents the potential liability due by the Academy at the period end.

Restricted fixed asset fund

This fund represents the net book value of fixed assets purchased using grants received, fixed assets transferred on conversion and the capitalised long leasehold interest in land and buildings.

Unrestricted funds

The unrestricted funds represent funds available to the Governors to apply for the general purposes of the Academy.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	6,592,657	6,592,657
Current assets	9,206	117,391	-	126,597
Current liabilities	-	(117,391)	-	(117,391)
Pension scheme liability	-	(241,000)	-	(241,000)
Total net assets	<u>9,206</u>	<u>(241,000)</u>	<u>6,592,657</u>	<u>6,360,863</u>

Rothley Church of England Primary School

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

18 Financial commitments

Operating leases

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

Operating leases which expire:

	2015	2014
	£	£
Other		
Within two to five years	<u>4,950</u>	<u>4,950</u>

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

	2015	2014
	£	£
Net income/(expenditure)	2,967,733	(20,158)
Depreciation	132,822	60,150
Interest receivable	(437)	(206)
FRS 17 expected return on scheme assets	(14,000)	(10,000)
FRS 17 interest on defined benefit pension scheme	18,000	15,000
FRS17 service cost adjustment	15,000	6,000
Decrease in debtors	4,223	31,905
Increase in creditors	<u>18,670</u>	<u>44,455</u>
Net cash inflow from operating activities	<u>3,142,011</u>	<u>127,146</u>

20 Returns on investments and servicing of finance

	2015	2014
	£	£
Interest received	<u>437</u>	<u>206</u>
Net cash inflow from returns on investments and servicing of finance	<u>437</u>	<u>206</u>

Rothley Church of England Primary School

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

21 Capital expenditure and financial investment

	2015 £	2014 £
Purchase of tangible fixed assets	(6,712,978)	(3,775)
Disposal of tangible fixed assets	<u>3,479,772</u>	<u>-</u>
Net cash outflow from capital expenditure and financial investment	<u>(3,233,206)</u>	<u>(3,775)</u>

22 Analysis of changes in net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	<u>179,631</u>	<u>(90,758)</u>	<u>88,873</u>

23 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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before they ceased to be a member.

24 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 Hymans Robertson LLP. 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.

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

24 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £84,380 (2014: £78,355).

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 £63,000 (2014 - £57,000), of which employer's contributions totalled £49,000 (2014 - £45,000) and employees' contributions totalled £14,000 (2014 - £12,000). The agreed contribution rates for future years are 21.4 per cent for employers and 5.5 - 12.5 per cent for employees.

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

24 Pension and similar obligations (continued)

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)	2.70	2.70
RPI increases	3.80	3.70
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	At 31 August 2015	At 31 August 2014
Retiring today		
Males retiring today	22.20	22.20
Females retiring today	24.30	24.30
Retiring in 20 years		
Males retiring in 20 years	24.20	24.20
Females retiring in 20 years	<u>26.60</u>	<u>26.60</u>

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

	At 31 August 2015 £	At 31 August 2014 £
Equities	197,000	158,000
Government bonds	63,000	38,000
Property	33,000	23,000
Cash	<u>6,000</u>	<u>7,000</u>
Total market value of assets	299,000	226,000
Present value of scheme liabilities - funded	<u>(540,000)</u>	<u>(452,000)</u>
Deficit in the scheme	<u>(241,000)</u>	<u>(226,000)</u>

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

24 Pension and similar obligations (continued)

The expected rates of return were:

	At 31 August 2015	At 31 August 2014
	%	%
Equities	4.00	6.00
Government 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 £10,000 (2014 - £21,000).

Amounts recognised in the statement of financial activities

	2015	2014
	£	£
Current service cost	<u>64,000</u>	<u>51,000</u>
Total operating charge	<u>64,000</u>	<u>51,000</u>

Analysis of pension finance income/(costs)

	2015	2014
	£	£
Expected return on pension scheme assets	(14,000)	(10,000)
Interest on pension liabilities	<u>18,000</u>	<u>15,000</u>
Pension finance income	<u>4,000</u>	<u>5,000</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 £22,000 (2014 - £18,000).

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

24 Pension and similar obligations (continued)

Movements in the present value of defined benefit obligation

	2015	2014
	£	£
At 1 September	452,000	303,000
Current service cost	64,000	51,000
Interest cost	18,000	15,000
Employee contributions	14,000	12,000
Actuarial (gains)/losses	(8,000)	71,000
	540,000	452,000

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

	2015	2014
	£	£
At 1 September	226,000	148,000
Expected return on assets	14,000	10,000
Actuarial (losses)/gains	(4,000)	11,000
Employer contributions	49,000	45,000
Employee contributions	14,000	12,000
	299,000	226,000

The estimated value of employer contributions for next period is £52,000 (2014 - £52,000).

History of experience adjustments

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

	2015	2014	2013
	£	£	£
Present value of scheme liabilities	(540,000)	(452,000)	(303,000)
Fair value of scheme assets	299,000	226,000	148,000
Deficit in the scheme	(241,000)	(226,000)	(155,000)
	2015	2014	2013
	£	£	£
Experience adjustments arising on scheme assets	-	11,000	(1,000)
Experience adjustments arising on scheme liabilities	-	-	(50,000)

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

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

25 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.