

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 2016

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**

<b>Members</b>	Rev R M Gladstone (Interim Chair) Mrs K R Croden The Diocese of Leicester Educational Trust Mr D Trinder (appointed 22 September 2015 and resigned 22 November 2016)
<b>Governors and Trustees (Directors)</b>	Mr T Regan Mrs F Parr Mr D Trinder (Chair) (resigned 22 November 2016) Mrs J Wainwright Mrs E M Stott Mrs K R Barrs Mr M Cook Mr I Maynard-Smith (resigned 14 September 2016) Mrs E Pilbeam Mr M Pedley (appointed 15 March 2016) Mr B Popple (resigned 15 April 2016) Rev R M Gladstone (Interim Chair)
<b>Company Secretary</b>	Mrs J Parr
<b>Senior Management Team</b>	Mrs F Parr, Head Teacher Mrs K R Barrs, Deputy Head Mr C Shaw, Assistant Head
<b>Principal and Registered Office</b>	2 Burrow Drive Rothley Leicester Leicestershire LE7 7RZ
<b>Company Registration Number</b>	08388074
<b>Auditors</b>	Haines Watts Leicester LLP Chartered Accountants and Statutory Auditor Hamilton Office Park 31 High View Close Leicester LE4 9LJ
<b>Bankers</b>	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 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. 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.

##### ***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)

Behaviour & Health & Safety Committee (meets a minimum of once per term)

## **Rothley Church of England Primary School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### ***Arrangements for setting pay and remuneration of key management personnel***

Trustees, other than staff trustees, do not receive remuneration from the Trust. The pay and remuneration for teaching staff who are Key Management Personnel is determined in accordance with the Trust's Teacher's Pay Policy, which is reviewed annually to take into account national guidance contained within the School Teacher's Pay and Conditions document.

#### ***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 2016.

#### **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 2016 (continued)

#### Strategic Report

##### *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.

##### Achievements and performance

#### Rothley C of E Primary School Assessment Results 2016

##### Key Stage 1

##### Year 1

Phonics Screening	Number Children	Passed	%
	58	55	95

##### Year 2

	Working towards expected standard	Working at expected standard (or above)	Working at greater depth within the expected standard
<b>Writing</b>	28%	72%	10%
<b>Reading</b>	15%	85%	35%
<b>Mathematics</b>	23%	77%	17%

##### Key Stage 2

	Working at expected standard	Working at greater depth/ high standard
<b>English grammar, punctuation and spelling</b>	90%	24%
<b>Writing</b>	80%	10%
<b>Reading</b>	76%	14%
<b>Mathematics</b>	90%	16%

## **Rothley Church of England Primary School**

### **Trustees' Report for the Year Ended 31 August 2016 (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 2016.

During the year ended 31 August 2016 the Academy recorded a deficit of £200,222 (2015: surplus £2,971,733), across all funds. Excluding the effects of depreciation and the actuarial loss on the Local Government Pension Scheme, the Academy had restricted general funds and unrestricted funds carried forward at 31 August 2016 of £Nil (2015: £nil) and £47,504 (2015: £9,206) respectively.

The school moved to newly built school premises in January 2015. Although costs for this were carefully planned and budgeted for in 2014/15, certain areas had to be completed in 2015/16. This work was carefully planned and grants applied for to ensure the best use of school funds and that the best possible value for money was achieved for the school.

The school has also had to manage, for the second year running, educating more children than funded for. The funding received in 15/16 was based on 374 children and the school had to educate 395 children in September 2015, rising to over 400 by July 2016.

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 Headteacher is an Ofsted Inspector and income has been generated from her inspection work. The Headteacher and Deputy Headteacher also generated income for supporting another primary school during the Autumn Term. The school have also started using their new, larger premises for lettings to a number of local groups. 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. The balance held in the Unrestricted General Fund as at 31 August 2016 was £47,504 (2015: £9,206).

##### ***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 2016 (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 12 December 2016 and signed on its behalf by:

.....  
Rev R M Gladstone (Interim 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 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr T Regan	6	6
Mrs F Parr	6	6
Mrs K R Barrs	6	6
Rev R M Gladstone (Interim Chair)	6	6
Mrs K R Croden	6	6
Mrs J Wainwright	5	6
Mr B Popple	1	4
Mrs E M Stott	6	6
Mr I Maynard-Smith	5	6
Mr M Cook	5	6
Mrs E Pilbeam	5	6
Mr D Trinder	6	6
Mr M Pedley	3	3

## Rothley Church of England Primary School

### Governance Statement (continued)

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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs F Parr	4	6
Mrs K R Barrs	6	6
Mr T Regan	5	6
Mrs J Wainwright	6	6
Mr D Trinder	4	6

#### **Review of value for money**

As accounting officer F Parr 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. As we moved to newly built premises in January 2015 we are still in regular contact with the builders to ensure all snagging issues are addressed and any ongoing problems resolved as soon 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 utilised the additional facilities by opening a new Nursery and letting some of the facilities to local groups.

#### **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 2016 and up to the date of approval of the annual report and financial statements.

## **Rothley Church of England Primary School**

### **Governance Statement (continued)**

#### **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 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### **The risk and control framework**

The Academy 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'. Further Internal Audits were conducted in May 2015 and May 2016 and no concerns were expressed.

## **Rothley Church of England Primary School**

### **Governance Statement (continued)**

#### **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 12 December 2016 and signed on its behalf by:

.....  
Mrs F Parr  
Governor and trustee

.....  
Rev R M Gladstone (Interim 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 2015.

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 2015.

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

12 December 2016

## **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 Annual Accounts Direction published 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 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 12 December 2016 and signed on its behalf by:

.....  
Rev R M Gladstone (Interim 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 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 13), 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 2016 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 2015 to 2016; 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

12 December 2016

## **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 2015 to 2016, 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 2015 to 31 August 2016 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 Rothley Church of England Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Rothley Church of England Primary School 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 Rothley Church of England Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Rothley Church of England Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Rothley Church of England Primary School's funding agreement with the Secretary of State for Education dated 1 July 2013 and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 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 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 2015 to 31 August 2016 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

12 December 2016

## Rothley Church of England Primary School

### Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
<b>Income and endowments from:</b>					
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,468,640	12,927	1,481,567
Other trading activities	4	156,545	-	-	156,545
Investments	5	151	-	-	151
<b>Total</b>		<u>156,696</u>	<u>1,468,640</u>	<u>12,927</u>	<u>1,638,263</u>
<b>Expenditure on:</b>					
Raising funds	7	61,832	-	-	61,832
<i>Charitable activities:</i>					
Academy trust educational operations	8	-	1,459,166	183,487	1,642,653
<b>Total</b>		<u>61,832</u>	<u>1,459,166</u>	<u>183,487</u>	<u>1,704,485</u>
Net income/(expenditure)		94,864	9,474	(170,560)	(66,222)
Transfers between funds		(56,566)	11,526	45,040	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	(134,000)	-	(134,000)
Net movement in funds/(deficit)		38,298	(113,000)	(125,520)	(200,222)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2015		<u>9,206</u>	<u>(241,000)</u>	<u>6,592,658</u>	<u>6,360,864</u>
Total funds/(deficit) carried forward at 31 August 2016		<u>47,504</u>	<u>(354,000)</u>	<u>6,467,138</u>	<u>6,160,642</u>

## Rothley Church of England Primary School

### Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	-	50,000	50,000
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,337,243	11,279	1,348,522
Other trading activities	4	57,367	-	-	57,367
Investments	5	437	-	-	437
Other incoming resources	6	-	-	6,552,100	6,552,100
Total		<u>57,804</u>	<u>1,337,243</u>	<u>6,613,379</u>	<u>8,008,426</u>
<b>Expenditure on:</b>					
Raising funds	7	-	4,345	-	4,345
<i>Charitable activities:</i>					
Academy trust educational operations	8	-	1,423,754	3,612,594	5,036,348
Total		<u>-</u>	<u>1,428,099</u>	<u>3,612,594</u>	<u>5,040,693</u>
Net income/(expenditure)		57,804	(90,856)	3,000,785	2,967,733
Transfers between funds		(121,019)	22,320	98,699	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	4,000	-	4,000
Net movement in (deficit)/funds		(63,215)	(64,536)	3,099,484	2,971,733
<b>Reconciliation of funds</b>					
Total 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>
Total funds/(deficit) carried forward at 31 August 2015		<u><u>13,551</u></u>	<u><u>(245,345)</u></u>	<u><u>6,592,657</u></u>	<u><u>6,360,863</u></u>

## Rothley Church of England Primary School

### (Registration number: 08388074) Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	12	6,467,138	6,592,657
<b>Current assets</b>			
Debtors	13	32,566	37,724
Cash at bank and in hand		<u>121,587</u>	<u>88,873</u>
		154,153	126,597
Creditors: Amounts falling due within one year	14	<u>(106,649)</u>	<u>(117,391)</u>
Net current assets		<u>47,504</u>	<u>9,206</u>
Total assets less current liabilities		<u>6,514,642</u>	<u>6,601,863</u>
Net assets excluding pension liability		6,514,642	6,601,863
Pension scheme liability	22	<u>(354,000)</u>	<u>(241,000)</u>
Net assets including pension liability		<u><u>6,160,642</u></u>	<u><u>6,360,863</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund		6,467,138	6,592,657
Restricted pension fund		<u>(354,000)</u>	<u>(241,000)</u>
		6,113,138	6,351,657
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>47,504</u>	<u>9,206</u>
Total funds		<u><u>6,160,642</u></u>	<u><u>6,360,863</u></u>

The financial statements on pages 18 to 39 were approved by the Trustees, and authorised for issue on 12 December 2016 and signed on their behalf by:

.....  
Mrs F Parr  
Governor and trustee

.....  
Rev R M Gladstone (Interim Chair)  
Governor and trustee

## Rothley Church of England Primary School

### Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	90,530	3,142,013
Cash flows from investing activities	19	<u>(57,817)</u>	<u>(3,232,769)</u>
Change in cash and cash equivalents in the year		32,713	(90,756)
Cash and cash equivalents at 1 September		<u>88,873</u>	<u>179,631</u>
Cash and cash equivalents at 31 August	20	<u><u>121,586</u></u>	<u><u>88,875</u></u>

# **Rothley Church of England Primary School**

## **Notes to the Financial Statements for the Year Ended 31 August 2016**

### **1 Accounting policies**

#### **Statement of accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

#### **Basis of preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Rothley Church of England Primary School meets the definition of a public benefit entity under FRS 102.

#### **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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

#### **Grants**

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

## **Rothley Church of England Primary School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **1 Accounting policies (continued)**

##### ***Other income***

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

##### ***Donated goods, facilities and services***

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

##### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### ***Expenditure on raising funds***

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### ***Charitable activities***

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

## Rothley Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
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

##### Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

## **Rothley Church of England Primary School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **1 Accounting policies (continued)**

##### ***Provisions***

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### **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.

##### **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. 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 quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

# Rothley Church of England Primary School

## Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

### 1 Accounting policies (continued)

#### 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.

#### Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical accounting estimates and assumptions*

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31/08/2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2 Donations and capital grants

	<b>Total 2015 £</b>
Other donations	<u>50,000</u>

## Rothley Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 3 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
<b>DfE/EFA capital grants</b>				
Devolved capital grant	-	12,927	12,927	11,279
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	1,350,805	-	1,350,805	1,226,380
<b>Other government grants</b>				
SEN funding from local authority	7,649	-	7,649	14,407
Other government grants	38,216	-	38,216	9,490
Pupil premium	67,296	-	67,296	69,454
	<u>113,161</u>	-	<u>113,161</u>	<u>93,351</u>
<b>Non-government grants and other income</b>				
Other income	4,674	-	4,674	17,512
Total grants	<u>1,468,640</u>	<u>12,927</u>	<u>1,481,567</u>	<u>1,348,522</u>

#### 4 Other trading activities

	Unrestricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	10,513	10,513	-
Other income	146,032	146,032	57,367
	<u>156,545</u>	<u>156,545</u>	<u>57,367</u>

#### 5 Investment income

	Unrestricted funds £	Total 2016 £	Total 2015 £
Short term deposits	151	151	437

## Rothley Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 6 Other charitable activities

	<b>Total 2015 £</b>
Income from donations	<u>6,552,100</u>

Income from donations in 2015 of £6,552,100 represents the recognition of the new school premises in that year.

#### 7 Resources expended

	<b>Staff costs £</b>	<b>Premises £</b>	<b>Other costs £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Expenditure on raising funds	58,166	-	3,666	61,832	4,345
<b>Academy's educational operations</b>					
Direct costs	941,417	-	168,818	1,110,235	1,039,811
Allocated support costs	<u>178,751</u>	<u>259,631</u>	<u>94,036</u>	<u>532,418</u>	<u>3,996,537</u>
	<u>1,120,168</u>	<u>259,631</u>	<u>262,854</u>	<u>1,642,653</u>	<u>5,036,348</u>
	<u>1,178,334</u>	<u>259,631</u>	<u>266,520</u>	<u>1,704,485</u>	<u>5,040,693</u>

Allocated support staff costs in 2015 include £3,478,572, being the loss on disposal arising from the derecognition of the old school premises.

#### Net incoming/outgoing resources for the year include:

	<b>2016 £</b>	<b>2015 £</b>
Fees payable to auditor - audit	4,700	4,550
- other audit services	400	400
Professional fees	1,663	4,093
Depreciation of tangible fixed assets - owned	<u>183,487</u>	<u>132,822</u>

## Rothley Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 8 Charitable activities

	<b>Total 2016 £</b>	<b>Total 2015 £</b>	
Direct costs - educational operations	1,110,235	1,039,811	
Support costs - educational operations	532,418	516,765	
Disposal of school premises	-	3,478,572	
(Profit)/loss on disposal of fixed assets	-	1,200	
	1,642,653	5,036,348	
	<b>Educational operations £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
<b>Analysis of support costs</b>			
Support staff costs	178,751	178,751	163,259
Depreciation	183,487	183,487	132,822
Premises costs	76,144	76,144	82,886
Other support costs	87,273	87,273	128,755
Governance costs	6,763	6,763	9,043
Disposal of school premises	-	-	3,478,572
(Profit)/loss on disposal of fixed assets	-	-	1,200
Total support costs	532,418	532,418	3,996,537

#### 9 Staff

##### Staff costs

	<b>2016 £</b>	<b>2015 £</b>	
<b>Staff costs during the year were:</b>			
Wages and salaries	912,763	861,067	
Social security costs	63,809	54,230	
Pension costs	174,179	146,111	
	1,150,751	1,061,408	
Supply teacher costs	27,583	14,994	
	1,178,334	1,076,402	

## Rothley Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 9 Staff (continued)

##### 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:

	<b>2016</b>	<b>2015</b>
	<b>No</b>	<b>No</b>
<b>Charitable Activities</b>		
Teachers	14	14
Administration and support	20	16
Management	3	3
	<u>37</u>	<u>33</u>

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	<b>2016</b>	<b>2015</b>
	<b>No</b>	<b>No</b>
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>-</u>

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £198,430.

## **Rothley Church of England Primary School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **10 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):

Remuneration: £70,000 - £75,000 (2015 - £65,000 - £70,000)

Employer's pension contributions: £10,000 - £15,000 (2015 - £5,000 - £10,000)

Mrs K R Barrs (Deputy head teacher):

Remuneration: £50,000 - £55,000 (2015 - £45,000 - £50,000)

Employer's pension contributions: £5,000 - £10,000 (2015 - £5,000 - £10,000)

Mrs W J Reynolds (Learning support assistant):

Remuneration: £Nil (2015 - £10,000 - £15,000)

Employer's pension contributions: £Nil (2015 - £0 - £5,000)

Mrs E Pilbeam (Learning support assistant):

Remuneration: £15,000 - £20,000 (2015 - £10,000 - £15,000)

Employer's pension contributions: £0 - £5,000 (2015 - £0 - £5,000)

Mr M Pedley (Groundsman):

Remuneration: £5,000 - £10,000 (2015 - £Nil)

Employer's pension contributions: £0 - £5,000 (2015 - £Nil)

Other related party transactions involving the trustees are set out in note 23.

The Head teacher and Deputy head teacher's remuneration includes payment for services provided to support The Leicester Diocesan Board of Education and other Leicestershire primary schools. The school received income for these services which more than offsets the remuneration paid.

#### **11 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 2016 was £464 (2015 - £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 2016 (continued)

#### 12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	6,552,100	94,535	83,283	6,729,918
Additions	<u>26,653</u>	<u>24,379</u>	<u>6,936</u>	<u>57,968</u>
At 31 August 2016	<u>6,578,753</u>	<u>118,914</u>	<u>90,219</u>	<u>6,787,886</u>
<b>Depreciation</b>				
At 1 September 2015	77,175	29,860	30,226	137,261
Charge for the year	<u>116,943</u>	<u>36,955</u>	<u>29,589</u>	<u>183,487</u>
At 31 August 2016	<u>194,118</u>	<u>66,815</u>	<u>59,815</u>	<u>320,748</u>
<b>Net book value</b>				
At 31 August 2016	<u>6,384,635</u>	<u>52,099</u>	<u>30,404</u>	<u>6,467,138</u>
At 31 August 2015	<u>6,474,925</u>	<u>64,675</u>	<u>53,057</u>	<u>6,592,657</u>

In January 2015 the Academy Trust moved from its premises at Mountsorrel Lane, Rothley, Leicestershire to new school premises at 2 Burrow Drive, Rothley, Leicestershire. The new school premises was capitalised at a value of £6,552,100, which includes non-depreciable land of £764,000.

#### 13 Debtors

	2016 £	2015 £
Trade debtors	2,111	2,023
Prepayments	14,211	17,702
Accrued grant and other income	13,036	12,800
VAT recoverable	<u>3,208</u>	<u>5,199</u>
	<u>32,566</u>	<u>37,724</u>

#### 14 Creditors: amounts falling due within one year

	2016 £	2015 £
Other taxation and social security	38,490	33,470
Accruals	18,175	21,508
Deferred income	<u>49,984</u>	<u>62,413</u>
	<u>106,649</u>	<u>117,391</u>

## Rothley Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 14 Creditors: amounts falling due within one year (continued)

	<b>2016</b> <b>£</b>
<b>Deferred income</b>	
Deferred income at 1 September 2015	62,413
Resources deferred in the period	49,984
Amounts released from previous periods	<u>(62,413)</u>
Deferred income at 31 August 2016	<u><u>49,984</u></u>

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

#### 15 Funds

	<b>Balance at 1 September 2015</b> <b>£</b>	<b>Incoming resources</b> <b>£</b>	<b>Resources expended</b> <b>£</b>	<b>Gains, losses and transfers</b> <b>£</b>	<b>Balance at 31 August 2016</b> <b>£</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,350,805	(1,350,805)	-	-
Non-government grants and other income	-	4,674	(4,674)	-	-
Other DfE/EFA grants	<u>-</u>	<u>113,162</u>	<u>(113,162)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,468,641</u>	<u>(1,468,641)</u>	<u>-</u>	<u>-</u>
<b>Restricted fixed asset funds</b>					
Long leasehold land and buildings	6,474,925	12,927	(116,943)	13,727	6,384,636
Other tangible fixed assets	<u>117,732</u>	<u>-</u>	<u>(66,544)</u>	<u>31,314</u>	<u>82,502</u>
	6,592,657	12,927	(183,487)	45,041	6,467,138
<b>Restricted pension funds</b>					
Pension reserve	<u>(241,000)</u>	<u>-</u>	<u>21,000</u>	<u>(134,000)</u>	<u>(354,000)</u>
Total restricted funds	6,351,657	1,481,568	(1,631,128)	(88,959)	6,113,138
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>9,206</u>	<u>156,696</u>	<u>(61,832)</u>	<u>(56,566)</u>	<u>47,504</u>
Total funds	<u><u>6,360,863</u></u>	<u><u>1,638,264</u></u>	<u><u>(1,692,960)</u></u>	<u><u>(145,525)</u></u>	<u><u>6,160,642</u></u>

## Rothley Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 15 Funds (continued)

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.

#### 16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	6,467,138	6,467,138
Current assets	47,504	106,649	-	154,153
Current liabilities	-	(106,649)	-	(106,649)
Pension scheme liability	-	(354,000)	-	(354,000)
	47,504	(354,000)	6,467,138	6,160,642
Total net assets	47,504	(354,000)	6,467,138	6,160,642

#### 17 Commitments under operating leases

##### *Operating leases*

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	4,950	-
Amounts due between one and five years	-	4,950
	4,950	4,950
	4,950	4,950

## Rothley Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Net (expenditure)/income	(66,222)	2,967,733
Depreciation	183,487	132,822
Interest receivable	(151)	(437)
Defined benefit pension scheme obligation inherited	16,000	15,000
Defined benefit pension scheme cost less contributions payable	(59,000)	(14,000)
Defined benefit pension scheme finance cost	22,000	18,000
Decrease in debtors	5,158	4,225
(Decrease)/increase in creditors	<u>(10,742)</u>	<u>18,670</u>
Net cash provided by Operating Activities	<u><u>90,530</u></u>	<u><u>3,142,013</u></u>

#### 19 Capital expenditure and financial investment

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	(57,968)	(6,712,978)
Disposal of tangible fixed assets	<u>-</u>	<u>3,479,772</u>
Net cash outflow from capital expenditure and financial investment	<u><u>(57,968)</u></u>	<u><u>(3,233,206)</u></u>

#### 20 Analysis of cash and cash equivalents

	<b>At 31 August</b>	<b>At 31 August</b>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>121,587</u>	<u>88,873</u>
Total cash and cash equivalents	<u><u>121,587</u></u>	<u><u>88,873</u></u>

#### 21 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.

## **Rothley Church of England Primary School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **22 Pension and similar obligations**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

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%.

## Rothley Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 22 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £98,203 (2015: £84,380).

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

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust 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 2016 was £81,000 (2015 - £63,000), of which employer's contributions totalled £64,000 (2015 - £49,000) and employees' contributions totalled £17,000 (2015 - £14,000). The agreed contribution rates for future years are 23.3, 24.3, 25.3 per cent for employers and 5.5 - 12.5 per cent for employees.

#### Principal actuarial assumptions

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
	%	%
Rate of increase in salaries	3.10	4.60
Rate of increase for pensions in payment/inflation	2.10	2.70
Discount rate for scheme liabilities	2.10	3.80
Inflation assumptions (CPI)	2.10	2.70
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:

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
<b>Retiring today</b>		
Males retiring today	22.20	22.20
Females retiring today	24.30	24.30
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.20	24.20
Females retiring in 20 years	<u>26.60</u>	<u>26.60</u>

## Rothley Church of England Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 22 Pension and similar obligations (continued)

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

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
	<b>£</b>	<b>£</b>
Equities	325,000	197,000
Government bonds	81,000	63,000
Property	41,000	33,000
Cash	5,000	6,000
Total market value of assets	452,000	299,000
Present value of scheme liabilities - funded	(806,000)	(540,000)
Deficit in the scheme	(354,000)	(241,000)

The actual return on scheme assets was £72,000 (2015 - £10,000).

#### Amounts recognised in the statement of financial activities

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Current service cost	80,000	64,000
Total operating charge	80,000	64,000

#### Changes in the present value of defined benefit obligations were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
At 1 September	540,000	452,000
Current service cost	80,000	64,000
Interest cost	22,000	18,000
Employee contributions	17,000	14,000
Actuarial losses/(gains)	147,000	(8,000)
At 31 August	806,000	540,000

#### Changes in the fair value of academy's share of scheme assets:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
At 1 September	299,000	226,000
Interest income	13,000	14,000
Return on plan assets (excluding net interest on the net defined pension liability)	59,000	-
Actuarial losses	-	(4,000)
Employer contributions	64,000	49,000
Employee contributions	17,000	14,000
At 31 August	452,000	299,000

## **Rothley Church of England Primary School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **23 Related party transactions**

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

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

#### **24 Transition to FRS 102**

First time adoption of FRS 102

These financial statements are the first financial statements of Rothley Church of England Primary School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Rothley Church of England Primary School for the year ended 31/08/2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

The policies applied under the academy's previous accounting framework are not materially different to FRS102 and have not impacted on reserves or surplus or deficit.