

Registered number: 07704001



ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2015

Trustees

Jenefer Snelson, Chair of Governors (resigned 4 November 2015)
Rev Peter Knight, Director Governor
Claire Davies, Headteacher & Accounting Officer
Glyn Stacey, Director Governor
Helen Yorke, Director Governor
Carol Nash, Director Governor
Richard Marklew, Non Director Associate Governor
Fiona Cullerne, Deputy Headteacher & Director Governor
Wendy Bevan, Director Governor & Chair (appointed 4 November 2015)
Alison Sims, Director Governor
Matthew Day, Director Governor (appointed 23 October 2015)
Martha Worthington, Director Governor & Staff Governor (appointed 1 September 2014)
Ian Hopwood, Director Governor (resigned 20 May 2015)
Michael Higley, Director Governor (resigned 19 July 2015)
Diane Sheldon (resigned 1 September 2014)
Alison Fergusson (resigned 31 March 2015)

Members

Jenefer Snelson (resigned 04/11/2015)
Rev Peter Knight
Claire Davies
Ian Hopwood
Diane Sheldon

Company registered number

07704001

Principal and registered office

Cromwell Road
Malvern
Worcestershire
WR14 1NA

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2015

Administrative details (continued)

Headteacher

Claire Davies

Senior management team

Claire Davies, Head
Mrs Virginia Beale, Deputy Head
Mrs Fi Cullerne, Deputy Head

Independent auditors

Randall & Payne LLP
Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Bankers

Lloyds Bank Plc
48 Belle Vue Terrace
Malvern
Worcestershire
WR14 4QG

Solicitor

Harrison Clarke Rickerbys LLP
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2014 to 31st August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in and around Malvern. It has a pupil capacity of 210 (Years R-6) and had a roll of 200 in the school census January 2015. The school also has a Nursery Class which offered morning sessions only for 26 children up to the end of July 2015.

Until July 2015, the academy also ran a reserved provision for Nursery aged pupils with special educational needs on behalf of the Local Authority. However, over the course of 2014-15 the Local Authority engaged in a thorough commissioning process to review the specialist provision in Worcestershire.

In March 2014, Cabinet approved recommendations to move away from Nursery Plus provision and focus on Early Years Specialist Language provision for children aged 3 -5 years old, in each district. This was followed by a period of consultation and further work to put together an updated service specification and funding model for the provision.

In January 2015 a tender process began whereby organisations in Malvern were able to review the specifications and put in a bid to manage and operate the provision from September 2015.

Due to the limited capacity of the Early Years space at St. Matthias, the school was unable to meet the new specifications and therefore the decision was made by the school not to bid for the Early Years Specialist Language provision. Therefore, from September 2015 there will no longer be Nursery Plus SEN provision at St. Matthias. This change has been agreed by the Worcester Diocesan Board of Education and the EFA have been informed.

Structure, governance and management

a. CONSTITUTION

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

The Governors of St. Matthias CE Primary Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as St. Matthias CE Primary Academy. Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

b. MEMBERS' LIABILITY

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

c. GOVERNORS' INDEMNITIES

The Academy provides indemnity insurance to cover the liability of governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

d. PRINCIPAL ACTIVITIES

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an Academy offering a broad curriculum with a strong emphasis on, but

e. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The Governing Body comprises 5 Members, 1 of which is appointed each by The Worcester Diocesan Academies Trust and the Parochial Church Council. Remaining Members comprise the Chair of the Governing Body, the Head of St. Matthias CE Primary Academy and the Incumbent of the local parish by virtue of their position. These members are also Governors.

The articles allow that up to 5 Governors may be appointed by The Worcester Diocesan Academies Trust and 4 by the Parochial Church Council. The members may appoint up to 3 staff Governors, there should be 3 Parent Governors elected by the parents of children at the Academy, and there may be additional Governors who are appointed by the Secretary of State. There may be up to 2 co-opted Governors, who can be appointed with the consent of the Diocesan Board of Education. In addition the Governors may appoint Associate Governors to provide a specific skill set which supports the Governing Body. Governors actively seek to recruit new Governors as and when a position becomes available. For Parent Governors this includes publishing an article in the school's weekly newsletter and sending home information and ballot papers to each family. The Church and / or the Diocese is approached for new Church Governors. Governor vacancies are also included on the school website..

f. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

Training and induction for Governors will depend on their prior experience and/or knowledge. Most induction is carried out "in house", but external trainers may be brought in, or Governors may attend external training provision as appropriate. All new Governors are expected to attend training run by the Local Authority. Governors are provided with copies of all the documents that they will need to undertake their role.

g. ORGANISATIONAL STRUCTURE

The day to day running of the Academy is delegated to the Senior Leadership Team (SLT), led by the Headteacher, Mrs Claire Davies. These senior leaders manage the academy at an executive level, implementing the policies agreed by the trustees and reporting back to them on progress. The Headteacher and other key senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The Headteacher fulfils the role of Accounting Officer.

The full Governing Body meets formally at least six times per year. Discussions are held and decisions are made or ratified as appropriate. During the year ending on 31st August 2015 there were 2 committees supporting the full Governing Body: Resource and Audit (with responsibility for Finance, Staffing, Premises and Resources) and Pay (with responsibility for the implementation of performance related pay and the Headteacher's appraisal). Both committees provided the opportunity for detailed discussion and policy development. Interim decisions were reached at committee for ratification at full Governing Body meetings. The committee structure was reviewed during 2014/15 to ensure that the structure continues to effectively support the growth of the school.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

St. Matthias is committed to establishing and maintaining collaborative partnerships with other local academies. Over the last year this has included working with several local schools within the PATH group for school improvement purposes.

During the period the Academy did not have any connected organisations. There were some related party relationships which are acknowledged at the Governors' meetings through the pecuniary interest forms, and any financial transactions are disclosed in the notes to the accounts.

In addition, St. Matthias continues to work closely with local schools to embed a programme to support the emotional health and well-being of vulnerable pupils.

St. Matthias will continue to seek effective partnerships which will support and enhance the principal activities of the Academy.

Objectives and Activities

a. OBJECTS AND AIMS

The principle aim of the Charitable Company is the operation of St. Matthias CE Primary Academy to provide education for pupils of different abilities from the ages of 3 to 11 (to include the Nursery provision). The school aims are as follows;

In the spirit of its Christian foundation, St. Matthias Church of England Primary School aims to provide the optimum environment for the intellectual, emotional, physical, social and spiritual growth of every pupil in its care.

Within this supportive environment we aim to:

- Draw together a community of learners within our school and involve all stakeholders
- Enable our learners to engage in learning and develop a good understanding of their strengths and skills
- Provide opportunities for all learners to enjoy learning and strive for excellence
- Provide meaningful contexts for productive and independent learning within an interesting, relevant curriculum
- Challenge our learners to develop new skills and be able to transfer these to different contexts
- Promote Christian values in a safe, supportive environment where respect, love, giving, trust, forgiveness and honesty are highly prized
- Create opportunities for all pupils to be successful and thus develop a sound sense of self belief
- Seek the keys to unlock the potential of all our learners to compete in and appreciate a global world
- Empower all learners to make considered choices for a healthy, balanced lifestyle
- Provide opportunities for all our learners to grow together intellectually, emotionally, in understanding, faith, cultural awareness and spiritual understanding.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main focus for the School Development Plan during this period was to raise standards of teaching and learning to good or better and to improve pupils' progress and attainment in Reading, Writing and Maths.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Our strategies to facilitate this included;

- Continued postholder with responsibility for Achievement and Progress
- A key focus on robust strategies for the monitoring of teaching and learning
- Senior Leaders regularly monitored progress data and carried out lesson observations, book trawls and planning scrutinies
- Best practice shared across the school and among the local schools in our collaborative group
- High quality learning interventions provided to support our children's learning journey
- The school development priorities were shared with stakeholders
- The school appointed a highly qualified advisor to provide school improvement support / advice
- Additional staff employed to reduce pupil : staff ratios and provide targeted teaching where appropriate

The school is striving to create an environment in which each individual is given the opportunity to maximise their potential in all areas of learning. With this in mind, we provide a broad and balanced curriculum with a focus on key skills.

c. PUBLIC BENEFIT

In setting the objectives, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The primary purpose of the academy is the advancement of education within the local area. The academy runs an extended day during term time, offering a safe place for pupils while parents are working. The academy operates both pre and post school care and an onsite maintained Nursery.

Achievements and performance

Early Years

The percentage of children achieving a good level of development in the Reception class was 66.8. This is an increase of 8.6% on last year and a 17% increase over the last 2 years. This shows a substantial improvement over a two year period.

Year 1 Phonics

The number of children achieving a pass mark for the Phonics test in Year 1 was 79.3. This is an increase of 19.3% over a two year period. This represents a good level of achievement for our pupils.

End of Year 2

Our Year 2 class this year did not do as well as previous cohorts and at Level 2B+ results were lower in Reading and significantly lower in Writing. Working alongside this group of children to increase rates of progress and raise attainment is a key school priority.

End of Year 6

Overall, at Level 4+ standards remain slightly lower than national averages, however, over a 4 year period the gap between national and school outcomes is narrowing. The school has a range of intervention strategies in place to continue to improve this profile, and in particular to accelerate pupil progress.

		2013	2014	2015		National 2014
LEVEL 4+	Reading	76.0	75.0	82.8	+7.8	89.0
	Writing	76.0	80.0	75.9	-4.1	85.0
	GPS	64.0	75.0	75.9	+0.9	76.0
	Maths	80.0	80.0	79.3	-0.7	86.0
	RWM	64.0	70.0	65.5	-4.5	79.0

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LEVEL 4B+	Reading	2013 64.0	2014 55.0	2015 69.0	+14.9	National 2014 78.0
	GPS	56.0	50.0	58.6	+8.6	68.0
	Maths	68.0	65.0	65.5	+0.5	76.0
	RWM	56.0	55.0	55.0	-3.3	67.0
LEVEL 5+	Reading	2013 32.0	2014 20.0	2015 27.6	+7.6	National 2014 50.0
	Writing	16.0	10.0	31.0	+21.0	31.0
	GPS	44.0	50.0	37.9	-12.1	52.0
	Maths	36.0	10.0	13.8	+3.8	42.0
	RWM	16.0	5.0	6.9	+1.9	24.0
EXPECTED PROGRESS	Reading	2013 88.0	2014 70.0	2015 90.0	+20.0	National 2014 91.0
	Writing	96.0	70.0	97.0	+20.7	93.0
	Maths	92.0	80.0	79.0	-1.0	89.0

90% of pupils achieved 2 levels progress and 24% achieved 3 levels progress in Reading.

97% of pupils achieved 2 levels progress and 52% achieved 3 levels progress in Writing.

79% of pupils achieved 2 levels progress and 14% achieved 3 levels progress in Maths.

The number of vulnerable children at the school continue to rise. The number of children eligible for free school meals is now 43.1%. This, together with high mobility, continues to present some challenges regarding closing the attainment gap. The school works very hard to minimise turbulence but mobility has been recognised as having a detrimental effect on the learning of some more vulnerable pupils.

a. GOING CONCERN

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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 Accounting Policies, note 1 of the financial statements.

b. KEY PERFORMANCE INDICATORS

The Academy uses a number of Key Performance Indicators to include;
Ofsted Inspection Outcomes

The school is showing a steady improvement since it was placed in Special Measures in 2009 as indicated by the table below.

Date	Ofsted Inspection Outcome
January 2009	Inadequate
July 2010	Satisfactory
July 2012	Good
February 2014	Good

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GOVERNORS' REPORT (continued)
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Number of Students

St. Matthias is a one-form entry Primary school with a PAN of 30. It caters for children from 4 years old (Reception Year) to 11 years old (Year 6). The school also has an established 26 place Nursery. The school has seen a steady increase of pupils over recent years and we are now close to our full capacity of 236.

Year	January 2012			January 2013			January 2014			January 2015		
	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total
N	8	15	23	10	15	25	13	13	26	13	12	25
R	12	13	25	13	12	25	12	18	30	17	13	30
1	13	16	29	14	15	29	15	15	30	13	16	29
2	5	18	23	13	15	28	15	15	30	15	15	30
3	18	11	29	3	16	19	15	16	31	14	14	28
4	8	9	17	17	12	29	5	19	24	15	14	29
5	14	13	27	11	9	20	18	11	29	6	18	24
6	16	4	20	13	13	26	10	11	21	17	13	30
	94	99	193	94	107	201	108	118	221	110	115	225

Attendance

The school uses a number of strategies to support good attendance and as a result attendance levels remain steady.

Year	Actual Absense	Actual Attendance
2006-7	5.7%	94.3%
2007-8	7.5%	92.0%
2008-9	7.2%	92.8%
2009-10	5.1%	94.9%
2010-11	5.4%	94.6%
2011-12	5.3%	94.7%
2013-13	5.2%	94.8%
2013-14	4.6%	95.4%
2014-15	4.4%	95.6%

The absence target for 2014-15 was set by the Governors at 4.5%.

Finally the Academy uses the level of reserves available to continue the improvement of the site, facilities and curriculum development. Each year we carefully monitor school spending to ensure enough funds are carried forward to support future school development priorities.

Financial review

The accounting period runs from 1st September 2014 to 31 August 2015. The majority of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The School Development Plan highlights how expenditure is linked to School Development Priorities.

Over the year Governors reviewed and updated key financial policies in line with the policy review framework.

Pupil numbers continue to increase resulting in increased grant income. Increased staffing costs reflect the improved pupil numbers. The Governors are committed to reinvesting back into the school, its facilities and resources. The school operates before and after school wrap around care and any surplus from this is re-invested back into the school.

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FOR THE YEAR ENDED 31 AUGUST 2015

During the year, one member of staff was engaged to support another school for one day per week for the Spring and Summer terms. This generated an additional income which was re-invested back into the school.

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

A Risk Management strategy has been adopted by the Governors and a Risk Register compiled following a thorough review of all risks perceived by the Governors and SLT to the academy. These risks are kept under review by the SLT and Resource and Audit Committee. External auditors have been appointed and the Academy Finance Policy was reviewed to ensure its continued appropriateness for the Academy. The principle risks and uncertainties for the company currently relate to the potential impact of changes in the funding formula and the development of effective systems to support the longer term financial planning. These are key areas of financial concern and risk. However, currently the Academy is not expecting a reduction in funding and the exposure to financial risks are minimised as the Academy has a positive bank balance and has no significant levels of debtors or creditors.

The Governors are aware of the pension scheme deficit and the potential risks that this exposes the Academy to. They are relying on the expertise of the actuary and the investment fund managers to ensure that the risks are mitigated and the deficit is reduced.

b. PRINCIPAL RISKS AND UNCERTAINTIES

Sub Category	Specific	Control Procedures
Management Risk	Key person loss/ succession risk	Succession planning in place, delegation of responsibilities.
Health & Safety Risk	Fatality/ injury to member of staff/ pupil/ third party	Reduce likelihood by raising profile of Health and Safety risks. Regular updates / staff training maintained. Near Miss records kept and analysed. Caretaker with responsibility for site maintenance. Associate Governor with responsibility for monitoring Health and Safety and advising SLT and reporting to Governors. Health and Safety Advisor employed by the school to ensure compliance.
Health & Safety Risk	Other third party risk	Reduce likelihood by raising profile of health and safety risks. Ensure visitors are aware of school procedures and policies regarding Health and Safety (required to read this on entering the school. Information on back of Visitor Passes for immediate information.) On site contractors informed of school procedures which they are expected to follow. Third party visitors working / volunteering in school required to have clear DBS check.
Health & Safety Risk	Failure to comply with Health and Safety legislation results in an employee/volunteer/ beneficiary of the charity being injured at work, attracting bad publicity	Ensure critical incident procedures in place and communication with press policy adhered to by all stakeholders. Policies easily available and stakeholders reminded of procedures on an annual basis. Associate Governor with responsibility for monitoring Health and Safety and advising SLT and reporting to Governors. Health and Safety Advisor employed by the school to ensure compliance.

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Child Protection Act risk	Risk that legislative requirements are not known or complied with	Senior member of staff with responsibility for Safeguarding. Key members of staff receive specific external training / updates. All staff receive Safeguarding training – updated every three years. Close working with Children's Services via POD at St. Matthias. Close contact with Worcestershire Safeguarding Board who supply regular updates and provide instant advice when necessary.
Pension risk	Risk that scheme is in significant deficit. Risk that charity is not making the correct contributions.	Ensure contingency fund in place and budget has sufficient flexibility to sustain loss.
Trustee risk	Trustees without required expertise	Ensure governors receive regular training. SLA with Governor Services maintained. Option to co-opt Associate Governors with specific expertise onto Governing Body.

The principal risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to maximise income generation through funding. Systems and procedures to minimise risks are constantly being reviewed and updated.

c. RESERVES POLICY

The policy of the Governors is to maintain a level of reserves that will be adequate to provide a stable basis for the continuing operation of the academy whilst ensuring that excessive funds are not accumulated.

The Governors review the resources of the Academy to ensure there are sufficient reserves to protect against possible reductions in the funding. The reserves are held in line with the DfE guidelines.

The policy will aim to carry forward sufficient funds to meet the Academy's long term aims and objectives, ensuring that this does not affect its current operational activities.

Excluding the pension scheme liability and capital funds, the academy funds carried forward as at 31st August 2015 are a surplus of £55,000 (2014 - £12,000).

The academy also has a pension scheme deficit in respect of the local Government Pension Scheme of £262,000 (2014 £238,000). The liability is included in restricted reserves and the academy will have to meet any long term liability out of restricted reserves. In order to repay the deficit, employer contributions will be 16.6%. In addition, in order to protect the fund, phased lump sum deficit contributions have been scheduled over the next five years at an average of £12,300 per annum. It is anticipated that the recovery period is 20 Years. This deficit is considered a long term deficit and not an immediate liability.

The Governors are happy that the Academy's progress has continued and are optimistic that they can increase the school reserves and prevent any future deficits.

d. INVESTMENTS POLICY

The Headteacher and Finance Secretary together with the Resource and Audit Committee will ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy.

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Plans for future periods

In the short term, the main focus of the School Development Plan is to increase the percentage of pupils working at age related levels.

The school considers, as a key priority, the development of further initiatives to improve the quality of teaching and learning by ensuring all staff adopt robust and effective strategies with highly differentiated learning opportunities. The school will continue to work towards the Ofsted targets highlighted in the February 2014 inspection, namely to;

1. Increase the proportion of outstanding teaching, so all pupils achieve their best, and
2. To carefully analyse the progress and attainment of the most able pupils as a routine part of the checks that leaders in the school make

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold any funds as custodian Trustee on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Governors are aware:

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

This report was approved by order of the members of the Governing Body on 16 December 2015 and signed on the board's behalf by:



Wendy Bevan, Chair of Governors

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As accounting officer, we acknowledge we have overall responsibility for ensuring that St. Matthias Church of England Primary Academy 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 Governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St. Matthias Church of England Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the Governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Governors has formally met 7 times during the year. Attendance during the year at meetings of the Governors was as follows:

Governor	Meetings attended	Out of a possible
Jenefer Snelson, Chair of Governors (resigned 04/11/2015)	7	7
Rev Peter Knight, Director Governor	4	7
Claire Davies, Headteacher & Accounting Officer	6	7
Glyn Stacey, Director Governor	3	7
Helen Yorke, Director Governor	4	7
Carol Nash, Director Governor	7	7
Richard Marklew, Non Director Associate Governor	1	7
Fiona Cullerne, Deputy Headteacher & Director Governor	6	7
Wendy Bevan, Director Governor & Chair	6	7
Alison Sims, Director Governor	5	7
Matthew Day, Director Governor	6	7
Martha Worthington, Director Governor & Staff Governor	2	5
Ian Hopwood, Director Governor	6	7
Michael Higley, Director Governor	4	7
Diane Sheldon	7	7
Alison Fergusson	1	7

During 2014/5 the Governing Body continued to review its structure to ensure that it continued to be a cohesive and dynamic body. Consideration was given to the number of governors, skills required and membership.

The Resource and Audit Committee is a sub-committee of the main board of Governors. It's purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. The remit of this committee has been under review with the inclusion of monitoring school effectiveness through analysis of data and children's outcomes, keeping under review the groupings of pupils used for reporting and the aim to exceed national average. To support data analysis Governor membership has been strengthened on this committee with an education sector skill focus.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Jenefer Snelson, Chair of Governors (resigned 04/11/2015)	7	7
Claire Davies, Headteacher & Accounting Officer	7	7
Glyn Stacey, Director Governor	6	7
Helen Yorke, Director Governor	3	7
Fiona Cullerne, Staff Governor & Director Governor	6	7
Wendy Bevan, Chair of Governors (appointed 04/11/2015)	3	5

REVIEW OF VALUE FOR MONEY

As accounting officer, the Headteacher 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 main principles employed by the school to ensure best value include;

- Challenge - Is the school's performance high enough? Why and how is a service provided? Do we still Can it be delivered differently? What do parents want?
- Compare - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- Consult - How does the school seek the views of stakeholders about the services the school provides?
- Compete - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

These principles are applied when making decisions about:

- the allocation of resources to best promote the aims and values of the school
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all pupils

The accounting officer for the academy has delivered improved value for money during the year by:

- making comparisons with other/similar schools using data provided by the LA and the Government, e.g. RAISE, quality of teaching & learning, levels of expenditure
- challenging proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets
- requiring suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration
- consulting individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. Sex and Relationships Education, pupil reports, assigned inspector, Ofsted etc
- giving detailed consideration to the deployment of staff to provide best value in terms of the quality of teaching, quality of learning, adult-pupil ratio, and curriculum management
- considering the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources, e.g. the library

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT (continued)

- promoting high standards in the deployment and care of equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning
- performing regular reviews of the curriculum and quality of teaching to provide parents and pupils with a high standard of provision
- reviewing the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual pupil achievement targets, 2 national curriculum levels between Years 3 and 6 etc
- Developing procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:
 - purchasing procedures within Financial Regulations (e.g. limits of spend requiring quotations or tender)
 - procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- reviewing the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors
- conducting regular in-house monitoring by the Headteacher and curriculum managers to analyse different key aspects of school provision

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St. Matthias Church of England Primary Academy for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governors.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governors;
- regular reviews by the Resource and Audit 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 Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Angelique Dalton, a , as Responsible Officer (RO).

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GOVERNANCE STATEMENT (continued)

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

- Review of Trial Balance
- Review of Monthly Payroll
- Review of Order and Payment Processes
- Review of Monthly Bank Reconciliations
- Review of Income Receipts
- Review of VAT Returns
- Review of Petty Cash
- Review of Business Charge Card Transactions

On a termly basis, the RO reports to the Governors on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, together with the Finance Secretary for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Matthias Church of England Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control as well as making recommendations for improvement.

The Finance Secretary has developed a system of controls and checks and holds regular meetings with the Headteacher to review finances. The Financial Handbook details the procedures and systems to be used by all budget holders. A copy of the handbook is available to all budget holders and staff are aware that all purchases and contracts must be entered into only by the Headteacher. The Financial Regulations in place govern how the financial systems and procedures are managed. Risk Management is driven by Governors and the SLT throughout the organisation.

In relation to Risk, staff are trained to be aware of risks and understand how to manage risks through mitigation procedures. The Academy learns from outside networking and through sharing information and good practice. The Governors have reviewed the identified key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Full Governing Body has responsibility for the ongoing risk management and has delegated to the Resource and Audit Committee the ongoing process for identifying, evaluating and managing the Academy significant risks with the Full Governing Body informed of any significant changes or additions to the Risk Register. This review mechanism has been in place for the period 31 September 2014 to 31 August 2015 and up to the date of approval of the Annual Report and Financial Statements.

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 16 December 2015 and signed on its behalf, by:



Wendy Bevan, Chair of Governors



Claire Davies, Headteacher/Accounting Officer

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of St. Matthias Church of England Primary Academy I have considered my responsibility to notify the Academy Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy Governors are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2014).

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Governors and EFA. If any instances are identified after the date of this statement, these will be notified to the Governors and EFA:

- The Academy purchased Caretaking Services from a related party, Mr R Beale, totalling £3,738 (2014: £nil) during the period. There were no amounts outstanding at 31 August 2015. The trust made the purchases at arms' length and it is considered that the transactions offered value for money in accordance with its financial regulations. In entering into the transaction the trust has complied with the requirements of EFA's Academies Financial Handbook, except for the "at-cost" ruling.



Claire Davies
Accounting Officer

Date: 16 December 2015

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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**GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

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

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

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

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

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

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

Approved by order of the members of the Governors on 16 December 2015 and signed on its behalf by:



Wendy Bevan, Chair of Governors

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. MATTHIAS CHURCH OF ENGLAND
PRIMARY ACADEMY**

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

This report is made solely to the Academy's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

The Governors have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. MATTHIAS CHURCH OF ENGLAND
PRIMARY ACADEMY**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the Academy has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Robert Stokes FCCA (Senior Statutory Auditor)

Randall & Payne LLP (Chartered Accountants & Statutory Auditors)

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA
16 December 2015

Randall & Payne LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST.
MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 30 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St. Matthias Church of England Primary Academy during the year 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 St. Matthias Church of England Primary Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St. Matthias Church of England Primary Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St. Matthias Church of England Primary Academy and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of St. Matthias Church of England Primary Academy's funding agreement with the Secretary of State for Education dated 7 July 2011, 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 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 EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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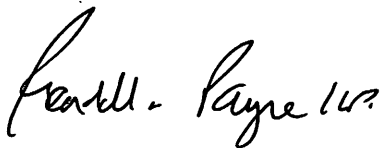
**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST.
MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY**
(continued)

- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity;
- Discussions with and representations from the Accounting Officer and other Key management personnel;
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

CONCLUSION

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

During the year there were transactions with a declared related party in excess of £2,500. The transactions continued to be undertaken on the same basis as previously used above the value of £2,500, rather than being undertaken as an "at cost" transaction. Whilst this is not in compliance with the EFA requirements the Trustees have taken appropriate steps to ensure that the transactions are fully compliant with their value for money requirements and do not represent any loss to the Academy.



Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

16 December 2015

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	5	-	5	1
Activities for generating funds	3	1	-	-	1	1
Incoming resources from charitable activities	4	30	1,142	112	1,284	1,057
TOTAL INCOMING RESOURCES		31	1,147	112	1,290	1,059
RESOURCES EXPENDED						
Charitable activities		22	1,083	45	1,150	1,083
Governance costs	6	-	13	-	13	7
TOTAL RESOURCES EXPENDED	9	22	1,096	45	1,163	1,090
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		9	51	67	127	(31)

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

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

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Transfers between Funds	19	-	(24)	24	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		9	27	91	127	(31)
Actuarial gains and losses on defined benefit pension schemes		-	(17)	-	(17)	(70)
NET MOVEMENT IN FUNDS FOR THE YEAR		9	10	91	110	(101)
<i>Total funds at 1 September 2014</i>		<i>12</i>	<i>(238)</i>	<i>936</i>	<i>710</i>	<i>811</i>
TOTAL FUNDS AT 31 AUGUST 2015		21	(228)	1,027	820	710

All activities relate to continuing operations.

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

The notes on pages 28 to 46 form part of these financial statements.

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07704001

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Tangible assets	16		928		936
CURRENT ASSETS					
Debtors	17	26		23	
Cash at bank		183		43	
		<u>209</u>		<u>66</u>	
CREDITORS: amounts falling due within one year	18	(55)		(54)	
NET CURRENT ASSETS			<u>154</u>		<u>12</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	26		<u>1,082</u>		<u>948</u>
			<u>(262)</u>		<u>(238)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>820</u>		<u>710</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	34		-	
Restricted fixed asset funds	19	1,027		936	
		<u>1,061</u>		<u>936</u>	
Restricted funds excluding pension liability				936	
Pension reserve		<u>(262)</u>		<u>(238)</u>	
Total restricted funds			<u>799</u>		<u>698</u>
Unrestricted funds	19		<u>21</u>		<u>12</u>
TOTAL FUNDS			<u>820</u>		<u>710</u>

The Governors consider that the Academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Academy to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2015

The financial statements were approved by the Governors, and authorised for issue, on 16 December 2015 and are signed on their behalf, by:



Wendy Bevan, Chair of Governors



Claire Davies, Headteacher & Accounting Officer

The notes on pages 28 to 46 form part of these financial statements.

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	21	57	51
Capital expenditure and financial investment	22	83	(95)
INCREASE/(DECREASE) IN CASH IN THE YEAR		140	(44)

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

	2015 £000	2014 £000
Increase/(Decrease) in cash in the year	140	(44)
MOVEMENT IN NET FUNDS IN THE YEAR	140	(44)
Net funds at 1 September 2014	43	87
NET FUNDS AT 31 AUGUST 2015	183	43

The notes on pages 28 to 46 form part of these financial statements.

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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

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

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

1.3 Incoming resources

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

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

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

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

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

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

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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

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

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

1.4 Resources expended

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

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

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

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The Academy has a funding agreement in place with the Secretary of State for Education which is for 7 years, with a 7 year notice period.

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £250 or more are capitalised.

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

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

L/Term Leasehold Property	-	50 years straight line
Fixtures and fittings	-	20% or 25% straight line
Computer equipment	-	33% straight line

1.7 Taxation

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

1.8 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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1. ACCOUNTING POLICIES (continued)

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Donations	-	5	5	1

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Music Tuition	1	-	1	1

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Educational Operations Direct	30	1,254	1,284	1,057

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FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
DfE/EFA revenue grants				
General Annual Grant	-	924	924	854
Other DfE/YPLA/EFA Grants	-	196	196	53
Special Educational Projects	-	3	3	33
Other Income	30	3	33	26
Pupil Premium	-	115	115	84
School Trips	-	6	6	6
Other Grants	-	2	2	1
School Fund	-	5	5	-
	<u>30</u>	<u>1,254</u>	<u>1,284</u>	<u>1,057</u>

5. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Educational Operations Direct	<u>22</u>	<u>1,128</u>	<u>1,150</u>	<u>1,083</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2015 £000	Depreciation 2015 £000	Other costs 2015 £000	Total 2015 £000	Total 2014 £000
Educational Operations Direct	<u>827</u>	<u>36</u>	<u>287</u>	<u>1,150</u>	<u>1,083</u>

6. GOVERNANCE COSTS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Governance Auditors' remuneration	-	5	5	4
Governance Auditors' non audit costs	-	8	8	3
	<u>-</u>	<u>13</u>	<u>13</u>	<u>7</u>

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7. DIRECT COSTS

	Educational Operations Direct £000	Total 2015 £000	<i>Total 2014 £000</i>
Pension income	7	7	5
Educational Supplies	87	87	99
Staff Development	19	19	8
Other Direct Costs	66	66	118
Maintenance of Premises & Equipment	4	4	4
Cleaning	5	5	-
Wages and salaries	631	631	581
National insurance	38	38	41
Pension cost	76	76	79
Depreciation	36	36	37
	<u>969</u>	<u>969</u>	<u>972</u>

8. SUPPORT COSTS

	Educational Operations Direct £000	Total 2015 £000	<i>Total 2014 £000</i>
Insurance	13	13	22
Catering	40	40	2
Other Support Costs	46	46	27
Wages and salaries	28	28	24
National insurance	2	2	1
Pension cost	52	52	35
	<u>181</u>	<u>181</u>	<u>111</u>

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9. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2015 £000	2015 £000	2015 £000	2014 £000
Educational Operations Direct	745	224	969	972
Support costs - Educational Operations Direct	82	99	181	111
Charitable activities	827	323	1,150	1,083
Governance	-	13	13	7
	827	336	1,163	1,090

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2015 £000	2015 £000	2015 £000	2014 £000
Educational Operations Direct	969	181	1,150	1,083

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets:		
- owned by the charity	37	37
Auditors' remuneration	5	4
Auditors' remuneration - non-audit	5	2
Operating lease rentals:		
- other operating leases	12	6

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12. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	659	605
Social security costs	40	42
Other pension costs (Note 26)	128	113
	<u>827</u>	<u>760</u>

b. Staff numbers

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

	2015 No.	2014 No.
Teachers	8	7
Administration and support	2	2
Management	3	3
	<u>13</u>	<u>12</u>

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

1 (2014: 1) of the above employees participated in the Teacher's Pension Scheme. During the period ended 31 August 2015, pension contributions for these staff amounted to £9,488 (2014: £9,393).

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13. GOVERNORS' REMUNERATION AND EXPENSES

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

	2015 £000	2014 £000
C Davies, Headteacher/Accounting Officer	65-70	65-70
C Davies, Headteacher/Accounting Officer (pension)	5-10	5-10
K Kazerooni, Staff Governor		10-15
K Kazerooni, Staff Governor (pension)		0-5
S Flubacher, Staff Governor		35-40
S Flubacher, Staff Governor (pension)		5-10
F Cullerne, Staff Governor	45-50	40-45
F Cullerne, Staff Governor (pension)	5-10	5-10
J McGrath, Staff Governor		35-40
J McGrath, Staff Governor (pension)		5-10
M Worthington, Staff Governor	25-30	
M Worthington, Staff Governor (pension)	0-5	

During the year, no Governors received any reimbursement of expenses (2014 - £1 thousand).

14. GOVERNORS' 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 £1,368 (2014 - £1,368). The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

	2015 £000	2014 £000
Expected return on pension scheme assets	8	7
Interest on pension scheme liabilities	(15)	(12)
	(7)	(5)
	(7)	(5)

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16. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2014	946	46	35	1,027
Additions	10	17	2	29
At 31 August 2015	956	63	37	1,056
Depreciation				
At 1 September 2014	49	19	23	91
Charge for the year	18	13	6	37
At 31 August 2015	67	32	29	128
Net book value				
At 31 August 2015	889	31	8	928
At 31 August 2014	897	27	12	936

Included in land and buildings is leasehold land at valuation of £77,573 (2014 - £77,573), which is not depreciated.

17. DEBTORS

	2015 £000	2014 £000
Trade debtors	3	-
Other debtors	7	13
Prepayments and accrued income	16	10
	26	23
	26	23

18. CREDITORS:
Amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	3	3
Other taxation and social security	14	12
Other creditors	11	11
Accruals and deferred income	27	28
	55	54
	55	54

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18. CREDITORS:
Amounts falling due within one year (continued)

	£000
Deferred income	
Deferred income at 1 September 2014	15
Resources deferred during the year	12
Amounts released from previous years	(15)
	12
Deferred income at 31 August 2015	12

At the balance sheet date the Academy had received funds for UIFSM for the 2015/16 period.

19. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
Unrestricted funds	12	31	(22)	-	-	21
	12	31	(22)	-	-	21
Restricted funds						
General Annual Grant (GAG)	-	927	(869)	(24)	-	34
SEN	-	3	(3)	-	-	-
Other						
DfE/YPLA/EFA grants	-	84	(84)	-	-	-
Pupil premium	-	115	(115)	-	-	-
School visits	-	6	(6)	-	-	-
Insurance	-	2	(2)	-	-	-
Donations	-	5	(5)	-	-	-
School Fund	-	5	(5)	-	-	-
Pension reserve	(238)	-	(7)	-	(17)	(262)
	(238)	1,147	(1,096)	(24)	(17)	(228)

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

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	936	-	(38)	30	-	928
ACMF Capital Grant	-	106	(7)	-	-	99
Devolved Formula Capital	-	6	-	(6)	-	-
	<u>936</u>	<u>112</u>	<u>(45)</u>	<u>24</u>	<u>-</u>	<u>1,027</u>
Total restricted funds	<u>698</u>	<u>1,259</u>	<u>(1,141)</u>	<u>-</u>	<u>(17)</u>	<u>799</u>
Total of funds	<u><u>710</u></u>	<u><u>1,290</u></u>	<u><u>(1,163)</u></u>	<u><u>-</u></u>	<u><u>(17)</u></u>	<u><u>820</u></u>

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

The restricted general fund includes grants receivable from the EFA, DfE, local authority and other government grants to be used for the primary activity of the charitable company. It also includes the balance on the Academy's share of the LGPS scheme.

The fixed asset fund relates to the grants received and assets donated/transferred in and are held for the charitable company's primary activity.

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

SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General funds	12	31	(22)	-	-	21
Restricted funds	(238)	1,147	(1,096)	(24)	(17)	(228)
Restricted fixed asset funds	936	112	(45)	24	-	1,027
	<u>710</u>	<u>1,290</u>	<u>(1,163)</u>	<u>-</u>	<u>(17)</u>	<u>820</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	-	-	929	929	937
Current assets	21	88	98	207	66
Creditors due within one year	-	(54)	-	(54)	(55)
Provisions for liabilities and charges	-	(262)	-	(262)	(238)
	<u>21</u>	<u>(228)</u>	<u>1,027</u>	<u>820</u>	<u>710</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £000	Discontinued £000	2015 Total £000	2014 £000
Net incoming resources before revaluations	127	-	127	(31)
Depreciation of tangible fixed assets	37	-	37	36
Capital grants from DfE	(112)	-	(112)	(8)
(Increase)/decrease in debtors	(3)	-	(3)	70
Decrease in creditors	(1)	-	(1)	(21)
FRS 17 adjustments	9	-	9	5
Net cash inflow from operations			<u>57</u>	<u>51</u>

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

	2015 £000	2014 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(29)	(103)
Capital grants from DfE	112	8
Net cash inflow/(outflow) capital expenditure	<u>83</u>	<u>(95)</u>

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23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £000	Cash flow £000	Other non-cash changes £000	31 August 2015 £000
Cash at bank and in hand:	43	140	-	183
Net funds	43	140	-	183

24. CONTINGENT LIABILITIES

In the event, during the period of the funding agreement, of the sale or disposal by other means of any asset for which a capital grant of whatever amount was received, the company shall, if it does not reinvest the proceeds, repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the company serving notice, the company shall repay to the Secretary of State sums determined by reference to

- the value at the time of the Academy's site and premises and other assets held for the purposes of the company,
- and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

25. CAPITAL COMMITMENTS

At 31 August 2015 the Academy had capital commitments as follows:

	2015 £000	2014 £000
Contracted for but not provided in these financial statements	98,410	-

26. PENSION COMMITMENTS

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

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

Contributions amounting to £11,653 were payable to the scheme at 31 August 2015 (2014 - £10,505) and are included within creditors.

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26. PENSION COMMITMENTS (continued)

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%

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.

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

Under the definitions set out in Financial Reporting Standard (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 assets held in separate trustee-administered funds.

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26. PENSION COMMITMENTS (continued)

The total contribution made for the year ended 31 August 2015 was £39,000, of which employer's contributions totalled £32,000 and employees' contributions totalled £7,000. The agreed contribution rates for future years are 21.2% for employers and 6% for employees.

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

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £000	<i>Expected return at 31 August 2014 %</i>	<i>Fair value at 31 August 2014 £000</i>
Equities	89.30	132	7.00	100
Bonds	6.10	9	3.80	7
Property	-	-	6.20	-
Cash	1.00	1	0.50	1
Other	3.50	5	7.00	-
		<hr/>		<hr/>
Total market value of assets		147		108
Present value of scheme liabilities		(409)		(346)
		<hr/>		<hr/>
Deficit in the scheme		(262)		(238)
		<hr/> <hr/>		<hr/> <hr/>

The amounts recognised in the Balance sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(409)	(346)
Fair value of scheme assets	147	108
	<hr/>	<hr/>
Net liability	(262)	(238)
	<hr/> <hr/>	<hr/> <hr/>

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

	2015 £000	2014 £000
Current service cost	(32)	(26)
Interest on obligation	(15)	(12)
Expected return on scheme assets	8	7
	<hr/>	<hr/>
Total	(39)	(31)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	(1)	11
	<hr/> <hr/>	<hr/> <hr/>

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26. PENSION COMMITMENTS (continued)

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

	2015 £000	2014 £000
Opening defined benefit obligation	346	265
Current service cost	32	26
Interest cost	15	12
Contributions by scheme participants	7	7
Actuarial Losses	9	36
	<u>409</u>	<u>346</u>

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

	2015 £000	2014 £000
Opening fair value of scheme assets	108	101
Expected return on assets	8	7
Actuarial gains and (losses)	(8)	(34)
Contributions by employer	32	27
Contributions by employees	7	7
	<u>147</u>	<u>108</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and (losses) was £80,000 loss (2014 - £63,000 loss).

The Academy expects to contribute £34,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	92.30 %	89.30 %
Government Bonds	- %	0.10 %
Other Bonds	6.50 %	6.10 %
Cash/liquidity	1.20 %	1.00 %
Other	- %	3.50 %

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Rate of increase in salaries	3.80 %	3.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.20 %
Inflation assumption (CPI)	2.30 %	2.20 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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26. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	23.4	23.3
Females	25.8	25.7
Retiring in 20 years		
Males	25.6	25.5
Females	28.1	28.0

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

Defined benefit pension schemes

	2015 £000	2014 £000	2013 £000	2012 £000
Defined benefit obligation	(409)	(346)	(265)	(224)
Scheme assets	147	108	101	56
Deficit	(262)	(238)	(164)	(168)
Experience adjustments on scheme liabilities	(9)	(36)	-	(16)
Experience adjustments on scheme assets	(8)	(34)	7	(3)

27. OPERATING LEASE COMMITMENTS

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

	2015 £000	2014 £000
Expiry date:		
Within 1 year	6	-
Between 2 and 5 years	6	-

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28. RELATED PARTY TRANSACTIONS

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

During the year ended 31 August 2015 there were the following related party transactions:

Richard Beale - (Husband of Virginia Beale - Deputy Head) Richard worked as a handyman in trade and completed jobs for the school upon request until March 2015 when the Governors agreed to employ him in a caretaker role. The selection process included interviewing a number of candidates and from the interviews conducted Richard was most suitable. The school made net purchases prior to his employment of £3,738. No amounts were outstanding at the year end.