

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(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

J Hardy, Headteacher^{1,2,3,4}
R Laughton, Chair of Trustees^{1,2,3,4}
R Patel⁴
M Burton (resigned 31 March 2015)²
T Pick²
L Brabin-Smith²
M Loftus, Vice Chair^{1,2}
A Agger⁴
H Frances, Staff Trustee^{2,3}
G Fern^{1,3}
G James, Chair of Finance¹
S Hampson
S Shell, Staff Trustee^{2,3}
N Pancholi¹
S Simpkin²
H Battison (appointed 13 April 2015)
S Russell (appointed 13 April 2015)

Members

R Laughton, Chair of Trustees
L Brabin-Smith
G James
S Hampson

- 1 Finance and Audit Committee
- 2 Personnel and Liaison Committee
- 3 Health and Safety Committee
- 4 Creative Curriculum and Standards Committee

Company registration number

08235194

Principal and registered office

Coppice Lane
Queniborough
Leicester
Leicestershire
LE7 3DR

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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)

Company secretary

R McAllister

Senior management team

J Hardy, Headteacher
T Lidgett, Assistant Head
H Frances, Assistant Head
R McAllister, Business Manager

Independent auditors

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

The Co-operative Banking Group
2nd Floor
1 Balloon Street
Manchester
M60 4EP

Solicitors

Legal Services
Leicestershire County Council
County Hall
Glenfield
Leicestershire
LE3 8RA

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with financial statements and auditor's report of Queniborough Church of England Primary School (the Academy) for the year ended 31 August 2015. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Queniborough. It has a pupil capacity of 210 and had a roll of 209 in the school census on 1 October 2015.

STRUCTURE GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Queniborough Church of England Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Queniborough Church of England Primary School.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

Trustees are covered by Indemnity Insurance purchased by Queniborough Church of England Primary School from LAIS who provide insurances for the Academy. This covers the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach. The limit of this indemnity is £3,000,000. The insurance for this is paid for by the Academy Trust at a cost of £1,243 (2014 - £1,242).

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The number of Trustees shall be not less than 3 nor more than 17 except for appointments of Additional Trustees made by the Secretary of State.

Recruitment of Trustees is outlined in the Memorandum of Articles. The appointment of staff Trustees is via a process of a staff ballot. Appointment of Parent Trustees is made via parent ballot.

The Article of Association states the Academy Trust shall have the following Trustees:

- up to 1 Local Authority Trustee if appointed under Article 51;

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

- 6 Parent Trustees appointed under Articles 53-58;
- 2 Staff Trustee appointed under Article 58A;
- 4 Foundation Trustees appointed under Article 58B;
- the Principal or Headteacher;
- any Additional Trustees, if appointed under Article 62, 62A or 68A;
- any Further Trustees, if appointed under Article 63 or Article 68A; and
- The Academy Trust may also have any Co-opted Trustee(s) appointed under Article 59.

The Governing Body is made up of committees:

- Finance and Audit
- Creative Curriculum and Standard
- Personnel and Liaison
- Health & Safety
- Staffing and Salaries

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustee induction training alongside a menu of extensive specialised training is available through the local network of schools to support all new Trustees and The Syston and Thurmaston Education Partnership (STEP). The Academy buys into the Local Authority Governor Development Service who across the Governing Body offers further Trustees training. A skills matrix is being developed to identify areas of strength and weakness.

ORGANISATIONAL STRUCTURE

Under the Education Funding Agency (EFA) "Scheme for Financing Schools", the Governing Body is responsible for the control of expenditure and income in accordance with the delegation of budgets and assisting the EFA in the discharge of its statutory duties. The Governing Body has in turn delegated the Trustees' financial responsibilities to the Finance & Audit Committee. The Headteacher – the Accounting Officer; shall be responsible for implementing agreed policies and maintaining day to day control of the school finances and accounts. The School Business Manager shall assist the Headteacher in the discharge of financial responsibilities. However, the Governing Body will remain accountable when Trustees' financial responsibilities are delegated. The Headteacher and Business Manager are responsible for reporting to the Governing Body any material weakness or breakdowns in internal controls.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy works very closely with local schools in the area forming the Syston and Thurmaston Education Partnership. Our group has just become the STEP Teaching School Alliance. School to School support is strong and staff coordinators attend a variety of curriculum and support groups within STEP. We are also part of a local group of four schools accessing funding from the Ogden Trust to develop the 'Sharman Scientists' science initiative locally.

Friends of Queniborough School (FOQS) are the School's PTA. They raise funds for the Academy through planned events. The focus on fund raising during 2014-2015 was on helping to improve outdoor play facilities. Charity and fundraising is something our pupils love to be engaged in helping many good causes. The organisation has disbanded in September 2015. We hope new parents will form a new committee.

The Academy is proud of its Christian heritage and continues to build on relationships with the church and community. As the current holders of the 'National Primary Winner Church Schools Award' the school continues to develop both local and international partnerships.

Queniborough Church of England Primary School has a close relationship with Leicester Diocese and St Mary's

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

Church.

The land and buildings occupied by the Queniborough Church of England Primary School are owned by Leicester Diocese in agreement with the Board of Education of the Diocese of Leicester and are provided for use at no charge to the Academy. Full details of the arrangement are detailed in note 14.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

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 with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education ("the Academy").

Our Academy aims to develop among all children:

- confidence, self-esteem and an awareness among pupils of their own feelings and the feelings of others;
- physical health, mental health, wellbeing and quality of life;
- skills, knowledge and personal qualities that will prepare them for adult life;
- lively enquiring minds with the ability to question, hypothesise, argue rationally, make decisions and apply themselves to tasks, including physical activities;
- high levels of attainment in English, Mathematics, Science and ICT;
- the ability to use language, number, scientific and information communication technology skills effectively in a variety of contexts;
- to encourage the morals and values of the Christian faith as expected of a Church of England school;
- an understanding and respect for moral and religious values, for all individuals, for the world's many ethnic and religious groups and for people having any form of disability, including children with special educational needs;
- knowledge and appreciation of the world and an understanding of the interdependence of individuals, groups and nations; and
- an appreciation of human achievements.

These aims will be reflected in all we do in our teaching and dealings with pupils and parents.

OBJECTIVES, STRATEGIES AND ACTIVITIES

PRIORITY 1: To continue to increase attainment and progress in Reading and Writing:

1.1 To continue to increase progress in reading through further development of Guided Reading in each cohort.

- To further develop a consistent approach to Guided Reading across the Academy.
- To maintain/further improve pupil progress outcomes in Reading in all Key stages.

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

- To develop positive strategies / systems to enable pupils to move on and achieve their highest potential in reading.
- To ensure classroom environments are stimulating and provide literacy support & scaffolding for pupils.
- To raise profile of reading around Academy and develop an enthusiasm for reading.
- Higher achieving pupils are identified and challenged appropriately.
- To ensure the current Year 6 cohort is on track to achieve targets set.

1.2 To continue to increase progress and attainment in spelling across the Academy.

- To re-introduce single word spelling test across school and analyse errors.
- To attend Spelling CPD.
- Spelling Policy introduced.
- KS1 begin to prepare for new GPS test in 2016.

1.3 To raise achievement of boys' writing to ensure consistency of progress across the Academy.

- To analyse data for underachieving boys. To implement strategies, interventions and demonstrate progress made.
- To ensure curriculum provision and classroom environment is appealing to all, especially underachieving boys.
- To develop high quality writing across the curriculum.
- To research use of blogs etc. to make writing more fun and engaging for boys.

1.4 To raise achievement of identified HAPS writers to ensure consistency across the Academy.

- To improve rates of progress and challenge for identified more able pupils in writing.
- To develop high quality writing across the curriculum.

PRIORITY 2: To continue to increase attainment and progress through evaluation of current marking policy and teacher feedback:

1. To ensure all teaching staff are adhering to current marking policy.
2. To analyse feedback comments and impact on children's learning.
3. Marking Policy reviewed and updated to recognise in year evaluation.

PUBLIC BENEFIT

In setting objectives the Trustees 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.

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

EYFS:

Evidence of good age related progress in this cohort but not clearly reflected in end of Year profile analysis as 68% - Good level of development

Phonics-Yr 1

81% achieved required mark- Includes 2 children with very specific needs.

KS1 National Tests

READING L2+	School 94%	NA 91%	READING L3	School 38%	NA 32%
WRITING L2+	School 88%	NA 88%	WRITING L3+	School 22%	NA 18%
MATHs L2+	School 91%	NA 93%	MATHS L3+	School 31%	NA 26%

KS2 National Tests

READING L4+	School 96%	NA 89%	READING L5+	School 59%	NA 48%
WRITING L4+	School 96%	NA 87%	WRITING L5+	School 36%	NA 36%
MATHS L4+	School 91%	NA 87%	MATHS L5+	School 36%	NA 42 %
GPS L4+	School 91%	NA 81%	GPS L5+	School 77%	NA 56%
RWM L4+	School 91%	NA 80%	RWM L5+	School 18%	NA 24%

PROGRESS

Mathematics: APS Decreased slightly by 0.7 points to 13.1 at the end of KS2 ..

Writing: Writing Progress improved by 0.3 pts to 13.9

Reading: Reading Progress improved by 0.5 pts to 13.8

Progress in KS1 is good

ACHIEVEMENTS

Attainment at Queniborough Church of England Primary School is good.

In October 2014 the school was rated as 'good' by OFSTED.

The overall quality of teaching is good with some outstanding elements. Pupils are motivated to learn and a large majority of pupils make good progress across the school. Pupil behaviour is very good. There is a strong sense of pride in the Academy and this contributes well to the caring and supportive ethos of the Academy. During 2014-15 attendance was above the national average at 96.8%. The Academy continuously focuses on raising the Academy performance and educational outcomes for all its pupils. The Academy attracts several children with disabilities and families with quite complex social issues.

The Academy works very closely with local schools in the area forming the Syston and Thurmaston Education Partnership. Our group now incorporates the STEP Teaching School Alliance. School to School support is strong and staff coordinators attend a variety of curriculum and support groups within STEP. We are also part of a local group of four schools accessing funding from the Ogden Trust to develop the 'Sharman Scientists' science initiative locally.

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

The Academy is proud of its Christian heritage and continues to build on relationships with the church and community. As the current holders of the 'National Primary Winner Church Schools Award' the school continues to develop both local and international partnerships.

Friends of Queniborough School (FOQS) are the Academy's PTA. They raise funds for the Academy through planned events. The focus on fund raising during 2014-2015 was on helping to improve outdoor play facilities. Charity and fundraising is something our pupils love to be engaged in helping many good causes.

GOING CONCERN

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

FINANCIAL REVIEW

The Academy is continuing to increase the number of participants which in turn will continue to help improve the financial position of the Academy. The School Development Plan outlines future aims and objectives indicate how and where resources will be spent or targeted in future years. The Academy continues to ensure children's learning is at the forefront.

RESERVES POLICY

It is the Policy of Queniborough Church of England Primary School that cashflow should be monitored by the Business Manager & Headteacher & a reserve of £60,000 this amount equates to approximately one month's expenditure.

Any surpluses at the end of the year will be carried over to the following year. The Governing Body must inform the EFA immediately if a deficit is anticipated in the current year

The deficit on the pension reserve, £311,000, relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held in trustee-administered funds to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted fund will be spent in accordance with the terms of those particular funds. Unrestricted funds are for use on their general purposes of the Academy, at the discretion of the Trustees. The aim of the Trustees is to increase this reserve to meet future working capital requirements.

At 31 August 2015 the funds comprised:

	£000
Unrestricted	49
Restricted: Fixed asset fund	1,389
GAG	72
Other restricted	190
Pension reserve	<u>(311)</u>
Total funds	<u>1,389</u>

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

INVESTMENT POLICY

The Governing Body shall authorise all investment of money under its control. Investment of Building Society and Bank Deposit Accounts shall be in the name of the school. This is an item agenda at each Finance & Audit Committee meeting.

PRINCIPAL RISKS AND UNCERTAINTIES

Internal Controls – Risk Management

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

Capacity to handle Risk

The Academy provides training for Trustees through Leicestershire County Council Governor Development Service.

Risk and Control

The Academy maintains and operates a system of internal control to safeguard all the resources delegated, granted or otherwise entrusted and ensures they are used cost effectively. The systems of internal control have been developed and coordinated by the Business Manager and Headteacher (Accounting Officer). The aim is to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that any errors or regularities are either prevented or can be detected promptly.

Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During Year ended 31 August 2015 the review has been informed by:

- The Finance and Audit Committee
- The Internal Auditor
- The Education Funding Agency Auditor
- The External Auditor

The Accounting Officer has been advised of any implication of the result of their review of the system of internal control by the both the Internal Auditor and EFA Auditor. Action plans are in place to address weakness and ensure continuous improvement of the systems in place.

PLANS FOR THE FUTURE

Queniborough Church of England Primary School intend to maintain the ethos of the School and strategically ensure the most effective use of resources. By ensuring good management of Financial Resources, Administration, Management of Information, ICT Resource, Human Resource, Facility & Property Management and Health & Safety. To achieve the best possible outcomes whilst effectively make best use and getting best value of the available resources.

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

The Academy Development Plan for 2015-2016 has several targets including:

1. To continue to increase attainment and progress in Reading and Writing.
2. To continue to increase attainment and progress through evaluation of current marking policy and teacher feedback.

The Academy aims to sustain the improved standard in mathematics, and to make more effective use, make improvements to the building and grounds to enhance current facilities and the experience of staff and learners.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOLS AIMS AND OBJECTIVES for 2015-16
EXTRACTED FROM SCHOOL DEVELOPMENT PLAN

PRIORITY 1: To provide sufficient opportunities for pupils to develop their writing skills in subjects other than English:

1. To analyse data for underachievers. To implement strategies, interventions and demonstrate progress made.
2. To ensure curriculum provision and classroom environment is appealing to all, especially underachievers.
3. To develop high quality writing across the curriculum.
4. To research use of blogs etc. to make writing more fun and engaging for all.

PRIORITY 2: To continue to increase attainment and progress of High Achieving Pupils:

1. To improve rates of progress and challenge for identified High Achieving pupils in English and Maths.

PRIORITY 3: To continue to increase attainment and progress through evaluation of current marking policy and teacher feedback:

1. To ensure all teaching staff are adhering to current marking policy.
2. To analyse feedback comments and impact on children's learning.
3. Marking Policy reviewed and updated to recognise in year evaluation.

PRIORITY 4: To further develop the role of subject and other leaders to support senior leaders in checking and evaluating pupils' progress and thus help raise further pupil's achievement:

1. Subject leaders produce action plan for year pertinent to their subject area using standard format.
2. Analyse staff feedback to highlight potential CPD requirements.
3. Subject leader has overview of planning to ensure coverage in new curriculum.
4. Maths & English subject leaders develop understanding of data in new assessment procedures.
5. Subject leaders monitoring role developed.
6. Leaders ensure adequate resources are in place.

SIAMS PRIORITIES

1. To further develop the role of the governing body to play a major role in evaluation
2. Encourage pupils in their leadership role through the Academy council, the assembly group, and other groups.
3. Develop a variety of outdoor facilities including a reflection area.
4. Ensure that worship takes place on 'Golden Book' day.

The Academy will continue to make improvements to the building and grounds to enhance current facilities and the experience of staff and learners.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold funds for any other organisations.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

AUDITOR

The auditor, MHA MacIntyre Hudson, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 24 November 2015 and signed on the board's behalf by:

.....
R Laughton
Chair of Trustees

.....
J Hardy
Accounting Officer

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Accounting Officer, we acknowledge we have overall responsibility for ensuring that Queniborough Church Of England Primary School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to 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 Queniborough Church Of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
J Hardy, Headteacher	4	4
R Laughton, Chair of Trustees	4	4
R Patel	3	4
M Burton	0	3
T Pick	1	4
L Brabin-Smith	3	4
M Loftus, Vice Chair	4	4
A Agger	3	4
H Frances, Staff Trustee	3	4
G Fern	1	4
G James, Chair of Finance	3	4
S Hampson	1	4
S Shell, Staff Trustee	2	4
N Pancholi	4	4
S Simpkin	4	4
H Battisson	1	1
S Russell	0	1

Governance reviews:

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During Year ended 31 August 2015 the review has been informed by:

- The Finance and Audit Committee
- The Internal Auditor
- The Education Funding Agency Auditor
- The External Auditor

The Accounting Officer has been advised of any implication of the result of their review of the system of internal control by the both the Internal Auditor and EFA Auditor. Action plans are in place to address weakness and ensure continuous improvement of the systems in place.

The Finance & Audit committee is a sub-committee of the main Board of Trustees.
Its purpose is to:

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GOVERNANCE STATEMENT (continued)

- Provide guidance and assistance to the Headteacher and Governing Body in all matters relating to budget and finance within an agreed framework;
- To determine and review financial systems and procedures, in line with prevailing regulations;
- To consider the budgetary implications of the annual School Development Plan;
- To oversee arrangements for obtaining quotations and inviting tenders in line with regulations;
- To ensure annual audits are carried out and results reported to Full Board;
- To review policy documents relating to Financial Regulations, Lettings, Charging and Best Value;
- To ensure insurance arrangements are appropriate and sufficient;
- To be aware of funding opportunities and how these can be accessed;
- To authorise all write-offs and disposals of surplus stock and equipment in accordance with regulations annual inventory check;
- To monitor conditions of school premises and grounds regularly and report to Full Board with proposals for repairs, maintenance and decoration in line with agreed financial allocations;
- To work with the Headteacher and others to develop a long term plan for improving facilities and premises for all Academy users; and
- To report termly to Full Board to ratify all decisions made in committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Laughton, Chair of Trustees	5	5
J Hardy	5	5
G James	5	5
M Loftus	5	5
N Pancholi	5	5
B McAllister - Business Manager	5	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 Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

What Is Best Value?

The Academy applies four principles of best value:

- Challenge - Is the school's performance high enough? Why and how is a service provided? Do we still need it? 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 other local 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?

The Accounting Officer's Approach

The Accounting Officer will apply the principles of best value when making decisions about:

- The allocations of resources to best promote the aims and values of the Academy.
- 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.

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GOVERNANCE STATEMENT (continued)

The Accounting officer will:

- make comparisons with other/similar schools using data, e.g. data, levels of expenditure.
- challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets.
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. fencing, redecoration.
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. Education, pupil reports, Ofsted, maintenance consultant etc.

This will apply in particular to:

- Staffing.
- Learning Resources.
- Quality of teaching.
- Quality of learning.
- Purchasing.
- Pupils' welfare.
- Health and safety.
- Premises and Facilities.

The Accounting Officer will not:

- will not waste time and resources on investigating minor areas where few improvements can be achieved.
- will not waste time and resources to make minor savings in costs.
- will not waste time and resources by seeking tenders for minor supplies and services.

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Confirmation the Value Statement in respect of Queniborough School Church of England Primary School has been discussed and agreed by the Governing Body.

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 Queniborough Church Of England Primary School for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year ended 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 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:

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance 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 Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Service as internal auditor.

The internal auditor'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:

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

On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Leicestershire County Council visited and carried out an internal audit of the schools systems. No major areas of concern were found. Recommendations were made and taken to the Finance & Audit committee for review and an action plan formulated.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

That in future year they will adopt a peer to peer audit system, this will also give the Academy chance to compare good practice and benchmark with other local schools. It was discussed as to whether or not the Leicestershire County Council internal audit service actually represented good value for money.

During this financial year we have introduced electronic payments for parents. This eliminates discrepancies of parents say they have paid for items when they have not. This has improved security of staff as they rarely need to visit the bank. It has negated the need for a security company to collect banking.

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 internal auditor;
- 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 Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 24 November 2015 and signed on its behalf, by:

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

.....
R Laughton
Chair of Trustees

.....
J Hardy
Accounting Officer

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Board of Trustees 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.

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

.....
J Hardy
Accounting Officer

Date: 24 November 2015

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Queniborough Church of England Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:

.....
R Laughton
Chair of Trustees

Date: 24 November 2015

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

We have audited the financial statements of Queniborough Church Of England Primary School 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 Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's Trustees 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 Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ
15 December 2015

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 7 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Queniborough Church Of England Primary School during the year ended 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 Queniborough Church Of England Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Queniborough Church Of England Primary School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Queniborough Church Of England Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Queniborough Church Of England Primary School's funding agreement with the Secretary of State for Education dated 1 November 2012, 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 ended 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.

The work undertaken to draw our conclusions includes:

- reviewing the information in the Financial Management and Governance Self-assessment (FMGS) and making appropriate enquiries of the, Head teacher, Accounting Officer;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

CONCLUSION

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

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

15 December 2015

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE 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	8	-	-	8	8
Activities for generating funds	3	14	6	-	20	19
Funding for the Academy Trust's educational operations	4	-	1,137	44	1,181	910
TOTAL INCOMING RESOURCES		22	1,143	44	1,209	937
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of Voluntary and Other Income	5	5	35	-	40	25
Charitable activities:	6					
Academy Trust educational operations		-	915	6	921	823
Governance costs	7	-	8	-	8	6
TOTAL RESOURCES EXPENDED	8	5	958	6	969	854
NET INCOMING RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		17	185	38	240	83

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(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
NET INCOMING RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD		17	185	38	240	83
Transfers between funds	18	-	(1)	1	-	-
NET INCOME FOR THE YEAR		17	184	39	240	83
Actuarial losses on defined benefit pension schemes		-	(11)	-	(11)	(70)
NET MOVEMENT IN FUNDS FOR THE YEAR		17	173	39	229	13
Total funds at 1 September 2014		32	(222)	676	486	473
TOTAL FUNDS AT 31 AUGUST 2015		49	(49)	715	715	486

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 49 form part of these financial statements.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08235194

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Tangible assets	14		715		676
CURRENT ASSETS					
Debtors	15	31		26	
Cash at bank		371		104	
		<u>402</u>		<u>130</u>	
CREDITORS: amounts falling due within one year	16	(56)		(43)	
NET CURRENT ASSETS			<u>346</u>		87
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,061</u>		763
CREDITORS: amounts falling due after more than one year	17		(35)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>1,026</u>		763
Defined benefit pension scheme liability	24		(311)		(277)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>715</u>		<u>486</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	262		55	
Restricted fixed asset funds	18	715		676	
		<u>977</u>		<u>731</u>	
Restricted funds excluding pension liability					
Pension reserve		(311)		(277)	
		<u></u>		<u></u>	
Total restricted funds			666		454
Unrestricted funds	18		49		32
			<u>715</u>		<u>486</u>
TOTAL FUNDS			<u>715</u>		<u>486</u>

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2015

The financial statements were approved by the Trustees, and authorised for issue, on 24 November 2015 and are signed on their behalf, by:

.....
R Laughton
Chair of Trustees

.....
J Hardy
Accounting Officer

The notes on pages 28 to 49 form part of these financial statements.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	20	231	72
Capital expenditure and financial investment	21	(1)	(30)
CASH INFLOW BEFORE FINANCING		230	42
Financing	21	37	-
INCREASE IN CASH IN THE YEAR		267	42

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

	2015 £000	2014 £000
Increase in cash in the year	267	42
Cash outflow from decrease in debt and lease financing	(37)	-
MOVEMENT IN NET FUNDS IN THE YEAR	230	42
Net funds at 1 September 2014	104	62
NET FUNDS AT 31 AUGUST 2015	334	104

The notes on pages 28 to 49 form part of these financial statements.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(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. 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. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 Trustees.

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 and Education Funding Agency.

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 sheet in the restricted fund.

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

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.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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 Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Assets transferred at conversion have been included at the estimated depreciated replacement cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on leasehold 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:

Leasehold land and property improvements	-	2% Straight line per annum
Assets under construction	-	No depreciation charged
Fixtures and fittings	-	20% Straight line per annum
Computer equipment	-	33.3% Straight line per annum

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

The land included in leasehold land is not being depreciated.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

1.7 Operating leases

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

1.8 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.

1.9 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 24, 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.

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.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Licence to occupy

The Trustees of Queniborough Church of England Primary School, in agreement with the Board of Education of the Diocese of Leicester, occupy buildings, swimming pool and some open land on a rent free licence. Full details of the arrangement are detailed in note 14.

The Directors have considered the guidance in the Academies Accounts Direction paragraph 8.7.5 in relation to properties occupied under licence. Having considered the arrangements under which the Academy Trust is occupying the land and buildings, for the reasons given in note 14, the Directors have concluded that the arrangement should not be included as an asset on the balance sheet and the Directors have not included any value of land or buildings in the financial statements.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Donations	<u>8</u>	<u>-</u>	<u>8</u>	<u>8</u>

3. FUNDRAISING INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Hire of facilities	10	-	10	11
Catering income	4	-	4	8
Other income	-	6	6	-
	<u>14</u>	<u>6</u>	<u>20</u>	<u>19</u>

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

4. 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 (GAG)	-	821	821	797
Pupil Premium	-	28	28	23
Capital grants	-	229	229	6
Other EFA/DfE grants	-	51	51	18
	<u>-</u>	<u>1,129</u>	<u>1,129</u>	<u>844</u>
Other government grants				
Local Authority grants	-	18	18	27
	<u>-</u>	<u>18</u>	<u>18</u>	<u>27</u>
Other funding				
Parental contributions and trip income	-	25	25	27
Insurance claims	-	9	9	12
	<u>-</u>	<u>34</u>	<u>34</u>	<u>39</u>
	<u>-</u>	<u>1,181</u>	<u>1,181</u>	<u>910</u>

5. COSTS OF VOLUNTARY AND OTHER INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Catering	4	35	39	24
Swimming pool chemicals	1	-	1	1
	<u>5</u>	<u>35</u>	<u>40</u>	<u>25</u>

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FOR THE YEAR ENDED 31 AUGUST 2015

6. CHARITABLE ACTIVITIES

	Total funds 2015 £000	Total funds 2014 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	493	460
National insurance	30	30
Pension cost	91	75
Depreciation	6	3
Educational supplies	19	21
Staff development	6	6
Other direct costs	16	22
	<u>661</u>	<u>617</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	82	71
National insurance	4	3
Pension cost	15	13
Pension finance costs (note 13)	5	7
Travel and subsistence	4	-
Maintenance of premises and equipment	38	26
Cleaning	5	4
Rent and rates	5	7
Energy costs	16	15
Insurance	22	15
Legal and professional	27	12
Other support costs	37	33
	<u>260</u>	<u>206</u>
Total Academy's educational operations	<u><u>921</u></u>	<u><u>823</u></u>

7. GOVERNANCE COSTS

	Total funds 2015 £000	Total funds 2014 £000
Auditors' remuneration for audit services	7	5
Internal audit	1	1
	<u>8</u>	<u>6</u>

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

8. TOTAL RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2015 £000	2015 £000	2015 £000	2015 £000	2014 £000
Costs of generating voluntary income	-	-	40	40	25
Costs of generating funds	-	-	40	40	25
Academy's educational operations:					
Direct costs	614	16	31	661	617
Support costs	106	64	90	260	206
Subtotal charitable activities	720	80	121	921	823
Governance	-	-	8	8	6
	720	80	169	969	854

9. NET INCOMING RESOURCES

This is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets:		
- owned by the charity	6	3
Auditors' remuneration	7	5
Operating lease rentals:		
- other operating leases	9	6

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10. STAFF

a. Staff costs

Staff costs were as follows:

	2015	2014
	£000	£000
Wages and salaries	557	518
Social security costs	34	33
Other pension costs (note 25)	106	88
	<hr/> 697	<hr/> 639
Supply teacher costs	18	13
FRS 17 Pension finance costs (note 13)	5	7
	<hr/> 720 <hr/>	<hr/> 659 <hr/>

b. Staff numbers

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

	2015	2014
	No.	No.
Management	4	4
Teaching staff	8	6
Support staff	14	11
	<hr/> 26 <hr/>	<hr/> 21 <hr/>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

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FOR THE YEAR ENDED 31 AUGUST 2015

11. TRUSTEES' REMUNERATION AND EXPENSES

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

	2015	2014
	£000	£000
L Hardy (Headteacher) - Gross salary	55-60	55-60
L Hardy (Headteacher) - Employer's pension contribution	5-10	5-10
H Francis - Gross salary	40-45	35-40
H Francis - Employer's pension contribution	5-10	5-10
S Shell - Gross salary	10-15	10-15
S Shell - Employer's pension contribution	0-5	0-5

During the year 3 Trustees received reimbursement of expenses of £86 (2014 - £466).

Other related party transactions involving the Trustees are set out in note 27.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,243 (2014 - £1,242). The cost of this insurance is included in the total insurance cost.

13. PENSION FINANCE COSTS

	2015	2014
	£000	£000
Expected return on pension scheme assets	15	11
Interest on pension scheme liabilities	(20)	(18)
	<u>(5)</u>	<u>(7)</u>

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FOR THE YEAR ENDED 31 AUGUST 2015

14. TANGIBLE FIXED ASSETS

	Leasehold land and property improvements £000	Assets under construction £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost					
At 1 September 2014	669	-	1	10	680
Additions	4	38	2	1	45
At 31 August 2015	<u>673</u>	<u>38</u>	<u>3</u>	<u>11</u>	<u>725</u>
Depreciation					
At 1 September 2014	2	-	-	2	4
Charge for the year	1	-	1	4	6
At 31 August 2015	<u>3</u>	<u>-</u>	<u>1</u>	<u>6</u>	<u>10</u>
Net book value					
At 31 August 2015	<u>670</u>	<u>38</u>	<u>2</u>	<u>5</u>	<u>715</u>
As restated At 31 August 2014	<u>667</u>	<u>-</u>	<u>1</u>	<u>8</u>	<u>676</u>

Included in leasehold property is leasehold land at valuation of £599,900 (2014 - £599,900) which is not depreciated.

The Trustees of Queniborough Church of England Primary School, in agreement with the Board of Education of the Diocese of Leicester, occupy the buildings, swimming pool and some open land of the Academy on a rent free licence. This continuing permission of the Board of Education is pursuant to, and subject to, the Board's charitable objects. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust company for the time being, but does not vest any rights over the land in the Academy Trust company. The terms of this licence have been agreed between the Secretary of State and the Trustees of Queniborough Church of England Primary School and contain a termination clause on the Trustees of Queniborough Church of England Primary School by the Board of Education giving two years notice. The Academy is responsible for the maintenance and insurance of the land and buildings.

The land and buildings at Queniborough Church of England Primary School was valued by the Leicestershire County Council external valuation service, which carried out a full valuation to the value of £714,000.

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NOTES TO THE FINANCIAL STATEMENTS
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15. DEBTORS

	2015	2014
	£000	£000
Trade debtors	1	-
VAT Recoverable	8	7
Prepayments and accrued income	22	19
	<u>31</u>	<u>26</u>
	<u><u>31</u></u>	<u><u>26</u></u>

16. CREDITORS:
Amounts falling due within one year

	2015	2014
	£000	£000
Other loans	2	-
Other creditors	11	9
Taxation and social security	10	7
Accruals and deferred income	33	27
	<u>56</u>	<u>43</u>
	<u><u>56</u></u>	<u><u>43</u></u>

	£000
Deferred income	
Deferred income at 1 September 2014	20
Resources deferred during the year	23
Amounts released from previous years	(20)
	<u>23</u>
Deferred income at 31 August 2015	<u><u>23</u></u>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips and free school meals.

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

17. CREDITORS:

Amounts falling due after more than one year

	2015	2014
	£000	£000
Other loans	35	-

Included within the above are amounts falling due as follows:

	2015	2014
	£000	£000
Between one and two years		
Other loans	5	-
Between two and five years		
Other loans	14	-
Over five years		
Other loans	16	-

Creditors include amounts not wholly repayable within 5 years as follows:

	2015	2014
	£000	£000
Repayable by instalments	16	-

Included within other creditors more than one year is a loan of £35,000 from the Education Funding Agency under the Conditional Improvement Fund. This is repayable over 8 years.

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

18. STATEMENT OF FUNDS

	As restated Brought forward £000	Incoming resources £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Carried forward £000
Unrestricted funds						
Unrestricted funds	32	22	(5)	-	-	49
Restricted funds						
General Annual Grant (GAG)	50	821	(798)	(1)	-	72
Other DfE/EFA grants	-	51	(51)	-	-	-
Other grants and income	-	39	(39)	-	-	-
Pupil Premium	5	28	(29)	-	-	4
Capital grants	-	186	-	-	-	186
Local Authority LGPS defined benefit pension scheme	(277)	-	(23)	-	(11)	(311)
	(222)	1,143	(958)	(1)	(11)	(49)
Restricted fixed asset funds						
Transfer from Local Authority	629	-	(6)	-	-	623
Capital expenditure from GAG	35	-	-	1	-	36
DfE/EFA capital grant	12	44	-	-	-	56
	676	44	(6)	1	-	715
Total restricted funds	454	1,187	(964)	-	(11)	666
Total of funds	486	1,209	(969)	-	(11)	715

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

18. STATEMENT OF FUNDS (continued)

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

General Annual Grant (GAG)

Funds from the Education Funding Agency for the provision of education, in line with the funding agreement.

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. Transfers of £1,000 from GAG funding to the restricted fixed asset fund represents contributions towards the fixed asset additions.

Other DfE/EFA Grants

Other funds provided by the DfE/EFA for particular purposes within the Academy's educational operations.

Pupil Premium

Additional funds from the Education Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

Other grants

These are funds and grants received from the local authority and other institutions for use on specific educational projects.

Other income

These consist of income from all other sources to be used primarily for the Academy's educational operations.

LGPS Defined Benefit Pension Scheme

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

Restricted fixed asset funds

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion to an Academy from the Local Authority and Church following the transfer of assets. It includes further amounts invested in fixed assets.

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NOTES TO THE FINANCIAL STATEMENTS
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19. 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	-	-	715	715	676
Current assets	49	353	-	402	130
Creditors due within one year	-	(56)	-	(56)	(43)
Creditors due in more than one year	-	(35)	-	(35)	-
Provisions for liabilities and charges	-	(311)	-	(311)	(277)
	<u>49</u>	<u>(49)</u>	<u>715</u>	<u>715</u>	<u>486</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £000	2014 £000
Net incoming resources before revaluations	240	83
Depreciation of tangible fixed assets	6	3
Capital grants from DfE	(44)	(6)
Increase in debtors	(5)	(4)
Increase / (decrease) in creditors	11	(18)
FRS 17 adjustments	23	14
Net cash inflow from operations	<u>231</u>	<u>72</u>

21. 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	(45)	(36)
Capital grants from DfE/EFA	44	6
Net cash outflow capital expenditure	<u>(1)</u>	<u>(30)</u>
	2015 £000	2014 £000
Financing		
Other new loans	<u>37</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. 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:	104	267	-	371
Debt:				
Debts due within one year	-	(2)	-	(2)
Debts falling due after more than one year	-	(35)	-	(35)
Net funds	104	230	-	334

23. 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	224	-

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

24. PENSION COMMITMENTS

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

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

Contributions amounting to £11,000 were payable to the schemes at 31 August 2015 (2014 - £10,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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.

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24. PENSION COMMITMENTS (continued)

The employers pension costs paid to Teaches Pension Scheme in the period amounted to £51,000 (2014: £50,000).

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. The total contribution made for the year ended 31 August 2015 was £49,000, of which employer's contributions totalled £38,000 and employees' contributions totalled £11,000. The agreed contribution rates for future years are 21.5% for employers and between 5.5% and 12.5% 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	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000
Equities	3.70	196	6.30	174
Bonds	3.70	62	3.30	42
Property	3.70	33	4.50	25
Cash	3.70	6	3.30	7
Total market value of assets		297		248
Present value of scheme liabilities		(608)		(525)
Deficit in the scheme		(311)		(277)

The expected rates of return are set equal to the discount rate.

The amounts recognised in the Balance Sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(608)	(525)
Fair value of scheme assets	297	248
Net liability	(311)	(277)

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24. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £000	2014 £000
Current service cost	(56)	(39)
Interest on pension liabilities	(20)	(18)
Expected return on pension scheme assets	15	11
	<u> </u>	<u> </u>
Total	(61)	(46)
	<u> </u>	<u> </u>
Actual return on scheme assets	11	24
	<u> </u>	<u> </u>

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

	2015 £000	2014 £000
Opening defined benefit obligation	525	379
Current service cost	56	39
Interest cost	20	18
Contributions by scheme participants	11	9
Actuarial losses	6	87
Benefits paid	(10)	(7)
	<u> </u>	<u> </u>
Closing defined benefit obligation	608	525
	<u> </u>	<u> </u>

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

	2015 £000	2014 £000
Opening fair value of scheme assets	248	186
Expected return on assets	15	11
Actuarial (losses)/gains	(5)	17
Contributions by employer	38	32
Contributions by employees	11	9
Benefits paid	(10)	(7)
	<u> </u>	<u> </u>
	297	248
	<u> </u>	<u> </u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £94,000 losses (2014 - £83,000 losses).

The Academy expects to contribute £43,000 to its Defined Benefit Pension Scheme in 2016.

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24. PENSION COMMITMENTS (continued)

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

	2015	2014
Equities	66.00 %	70.00 %
Bonds	21.00 %	17.00 %
Property	11.00 %	10.00 %
Cash	2.00 %	3.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.50 %
Rate of increase in salaries	4.50 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.80 %

Sensitivity analysis

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

Change in assumptions at 31 August 2015	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	73
1 year increase in member life expectancy	3%	18
0.5% increase in the Salary Increase Rate	6%	33
0.5% increase in the Pension Increase Rate	6%	37

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	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

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24. PENSION COMMITMENTS (continued)

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

Defined benefit pension schemes

	2015	2014	2013
	£000	£000	£000
Defined benefit obligation	(608)	(525)	(379)
Scheme assets	297	248	186
Deficit	(311)	(277)	(193)
Experience adjustments on scheme liabilities	(6)	(87)	(23)
Experience adjustments on scheme assets	(5)	17	10

25. OPERATING LEASE COMMITMENTS

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

	2015	2014
	£000	£000
Expiry date:		
Within 1 year	6	-
Between 2 and 5 years	3	7

26. 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 trustee 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.

The Trustees of Queniborough Church of England Primary School, in agreement with the Board of Education of the Diocese of Leicester, occupy buildings and some open land on a rent free licence, the terms of which have been agreed between the Secretary of State and the Trustees of Queniborough Church of England Primary School, and within which is contained a termination clause on the Trustees of Discovery Schools Academies Limited by the Board of Education giving two years notice. Full details of the arrangement are detailed in note 14.

27. CONTROLLING PARTY

The Academy is ultimately controlled by the Governing Body, which includes the Headteacher and assistant heads.

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

28. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

29. 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.