
ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members

Mrs C Hammant, Member until 29 September 2014
Mrs S Jennings
Mrs T Richardson
The Lincoln Diocesan Trust and Board of Finance Limited
Dr U Wilson, Member from 29 September 2014

Trustees

Mrs C Hammant, Chairman to 29 September 2014 (resigned 29 September 2014)
Miss F Dicker, Headteacher # (appointed 1 September 2013)
Mrs F Brooks #
Mr M Cooke #
Mr A Dickson, Responsible Officer
Mr F Harris # (resigned 30 January 2014)
Dr J Ince
Mrs S Jennings
Mr D Lowe # (resigned 4 November 2014)
Mrs J Marshall
Mrs T Richardson #
Very Revd M Warrick
Mr R Westley (appointed 23 November 2013)
Mrs S Dobson (appointed 14 February 2014)
Mrs S Richey (appointed 9 December 2013)
Mrs P Watson (appointed 20 November 2013)
Mr D Evans (appointed 20 November 2013)
Dr U Wilson, Chairman from 29 September 2014
Mr R Canham (resigned 26 September 2013)
Mrs J Dymond (resigned 6 November 2013)
Mr A Wilson (resigned 29 October 2013)

Members of the Finance Committee

Company registration number

08321824

Registered office

St Gilbert's C of E Primary School, Foundry Road, Stamford, Lincs, PE9 2PP

Company Secretary

Mrs F Brooks

Senior Leadership team

Miss F Dicker, Headteacher
Mrs J Exton, Assistant Headteacher
Mr R Westley, Assistant Headteacher
Mrs K Standen, Key Stage Leader
Mrs C Bontoft, Key Stage Leader
Mrs L Glossop, Director of Finance and Administration

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Independent auditors

Streets Audit LLP, Windsor House, A1 Business Park at Long Bennington, Notts, NG23 5JR

Bankers

Lloyds Bank Plc, PO Box 1000, Andover, BX1 1LT

Solicitors

Chattertons Solicitors, 28 Wide Bargate, Boston, Lincs, PE21 6RT

Actuaries

Hymans Robertson LLP, One London Wall, London, EC2Y 5EA

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. 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. It has a pupil capacity of 327 and had a roll of 318 in the school census in October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of St. Gilbert's 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 St. Gilbert's Church of England Primary School.

The principal object of the Academy is to provide primary education in the UK, by establishing, maintaining, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England.

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.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

All Governors are welcomed in person by the Chairman and Headteacher. An induction pack is provided and its upkeep is delegated to the Wellbeing subcommittee. Training for Governors was given during the year on a range of topics relating to education, including safeguarding and e-safety. Governors are encouraged to attend appropriate external training courses.

All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans, and other documents that they need to undertake their role as Governors.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

ORGANISATIONAL STRUCTURE

The full Governing Body delegates operations to the following sub-committees: Finance; Education and Standards; Wellbeing, Communications, Premises/Health and Safety and Committee of Chairs (this latter comprising the Chairmen and Vice-Chairmen of the full Governing Body and the Chairmen of the 5 sub-committees. The full Governing Body also delegate work to task and finish groups such as the development of the new school website and all committees are involved in defining the strategic direction of the school. The Headteacher is the Accounting Officer.

The senior leadership team consists of the Headteacher, two Assistant Headteachers, two Key Stage Leaders and School Business Manager. The aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the school nurtures the talents of its entire staff to support continual improvement and excellence.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy is aware of the letter to accounting officers which details how goods and services from connected companies should be provided at cost and the supplier should make no profit. We also are knowledgeable of the handbooks expectation regarding the provision of services and goods from connected parties. The Academy remains astute to this matter. The Academy is not connected to other organisations or completed transactions that would involve related parties so ensuring our full propriety.

GOVERNORS' INDEMNITIES

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omission occurring whilst on academy business.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

Our whole school vision is 'to inspire a love of learning'

Within our school we aim to provide:

- Inspirational teaching that enables all our children to flourish as confident and independent learners
- A vibrant curriculum that fires each child's imagination to explore and fulfil their own potential
- A loving, Christian school family that values every child and takes pride in their achievements

OBJECTIVES, STRATEGIES AND ACTIVITIES

The school sets out its objectives to deliver excellent education through reflection, self-evaluation and an annual strategy day which brings together the professionals and governors to jointly develop the School Development Plan. This strategic document sets out the specific areas of activity required to drive improvement.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Priority 1: To enable all groups of pupils to make good or outstanding progress

The academy organised observations across the school for the year including those for performance management. The academy also focused on developing key specific areas of lessons to ensure that pupils made good or better progress over time. The academy also developed the quality of feedback and also the levels of independence in learning so that pupils were immersed fully in their learning journey. Leadership ensured a strategic view of learning, monitoring progress of all pupils and specific groups of pupils. Staff also received training on the expectations of OFSTED, marking, progress expectations, moderation of writing and Level 6 Mathematics. Governance completed monitoring through first hand and through committee meeting reports.

Priority 2: To develop the curriculum to ensure it meets pupil need and reflects the school strategic vision

Leadership and subjects leaders ensured the school was ready for the implementation of the New Curriculum 2014. Alongside this the Finance committee agreed to a five year development of IT which included the development of a new school website. The school also focused on developing phonics within the school and monitoring the progress of pupils and the learning opportunities provided for pupils. Governance has continued to monitor the implementation of the Sports and Pupil Premiums and their impact.

Priority 3: To ensure all safeguarding procedures meet best practice

As part of its statutory monitoring the safeguarding Governor met with the Headteacher to ensure continued good practice in safeguarding the welfare of pupils including e-safety and reported at Full Governing Body meetings.

Priority 4: To explore various premises development opportunities

The Finance committee in agreement with the Full Governing Body agreed to the modernisation of the Foundation Stage. Governance closely monitored the development ensuring best value and affordability through regular reporting.

Priority 5: To develop the Governance of the school in the light of academy status

Governance also reviewed its operation and structures to ensure high levels of effectiveness, reviewing the skills of Governors. Terms of reference were reviewed and agreed focusing on impacting on teaching and learning along with the Code of Conduct. Governance also took a full part with staff in developing the Vision and Values of the school and also the Strategic Plan for the future of St Gilbert's.

PUBLIC BENEFIT

The Governors have paid due regard to guidance issued by the Charity Commission in relation to public benefit in deciding what activities the academy should undertake.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

Achievements and performance

KEY PERFORMANCE INDICATORS

The school concentrated on ensuring pupils made good or better progress during the year. We are very pleased with our results and are looking forward to building on this success again this year.

GOING CONCERN

After making appropriate enquiries, the board of Governors 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.

FINANCIAL REVIEW

The Trust held fund balances at 31 August 2014 of £2,712,943, comprising £160,357 of restricted funds, a fixed asset reserve of £2,660,341, a pension reserve deficit of £270,000 and £162,245 of unrestricted general funds.

Most of the Trust'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 year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2014, total expenditure of £1,121,564 was less than recurrent restricted grant funding from the EFA together with other restricted incoming resources. The excess of income over expenditure for the period was £142,133.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is monitored. In the period under review, £108,030 was carried forward representing 9.5% of GAG.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2014 this was 84.7% and this will be monitored in future periods.

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £270,000.

Detail is still awaited on future funding for the Trust from 2015 onwards. Pupil numbers are expected to remain stable. The impact of national funding spending cuts and of redirecting funding into the pupil premium for example, may have an adverse effect on grant funding.

Sufficient cash is held in reserve to enable the Academy to support any financial issues that it may experience. Monthly financial reports enable any issues to be identified at an early stage. Despite the pension scheme being in deficit, it is not considered to impact on the Academy.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks, including internal financial controls. The risk register is the strategic document which covers risks under five headings: governance, financial/compliance, operational, external factors and safeguarding.

Based on the strategic plan, the Governors undertake a comprehensive review at committee level of the risks to which the academy is exposed to ensure that all members of Governance take a full part in strategic decisions. They identify systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the Academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the academy's internal controls in managing the risks identified is regularly monitored.

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

RESERVES POLICY

The Governors consider an appropriate level of reserves to be in the order of 2 months staff expenditure, to insulate the Academy in the event of EFA funding becoming interrupted, and the carry forwards at 31 August 2014 is considered to be in line with that objective. The Academy also has committed finance within the capital maintenance fund for monies received this financial year (£57,354). This forms part of the successful Academies capital maintenance bid.

INVESTMENT POLICY

It has been agreed by the Governors that the Academy will invest funds prudently to maximise financial security of the Academy.

PLANS FOR FUTURE PERIODS

The school will continue to exploit the opportunities afforded by conversion to Academy status. Initially by utilising increased financial resources and governance freedoms to improve further the standard of teaching and learning but also to improve the school estate, in line with the schools' development plan.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Governors are aware:

- there is no relevant 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, incorporating the Strategic report, was approved by order of the board of Governors, as the company directors, on 8 December 2014 and signed on the board's behalf by:

Dr U Wilson
Chair of Governors

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that St Gilbert's 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 St Gilbert's 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 Governors' report and in the Governors' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Governor | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Mrs C Hammant, Chairman to 29 September 2014 | 6 | 6 |
| Miss F Dicker, Headteacher | 6 | 6 |
| Mrs F Brooks | 6 | 6 |
| Mr M Cooke | 6 | 6 |
| Mr A Dickson, Responsible Officer | 6 | 6 |
| Mr F Harris | 3 | 3 |
| Dr J Ince | 6 | 6 |
| Mrs S Jennings | 5 | 6 |
| Mr D Lowe | 3 | 6 |
| Mrs J Marshall | 5 | 6 |
| Mrs T Richardson | 4 | 6 |
| Very Revd M Warrick | 3 | 6 |
| Mr R Westley | 5 | 5 |
| Mrs S Dobson | 3 | 3 |
| Mrs S Richey | 2 | 4 |
| Mrs P Watson | 4 | 4 |
| Mr D Evans | 4 | 4 |
| Dr U Wilson, Chairman from 29 September 2014 | 5 | 6 |
| Mr R Canham | 0 | 1 |
| Mrs J Dymond | 1 | 1 |
| Mr A Wilson | 1 | 1 |

The Governors have worked strategically with the new Headteacher to ensure the continued success of the academy, drafting a five year strategy and ensuring they are up to date with the new expectations of Governance within an academy in relations to the EFA and also OFSTED. This has been communicated at Full Governing Body Meetings and there is now a greater level of understanding.

The structure of the committees has been reviewed during the year which has resulted in the creation of a new sub committee. During the current year a full skills audit will be undertaken.

The **Finance Committee** is a sub-committee of the main board of trustees. Its purpose is to ensure that the facilities and resources are applied to support the delivery of the School Development Plan, both now and in the future.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|----------------------------|-------------------|-------------------|
| Mrs F Brooks | 6 | 6 |
| Miss F Dicker, Headteacher | 6 | 6 |
| Mrs T Richardson | 5 | 6 |
| Mr A Dickson | 1 | 3 |
| Mr D Lowe | 0 | 3 |
| Mr F Harris | 2 | 2 |
| Mr M Cooke | 4 | 4 |

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 Gilbert's Church of England Primary School for the year 1 September 2013 to 31 August 2014 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 1 September 2013 to 31 August 2014 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:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mr A Dickson, a Governor, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the RO 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.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

During the period three visits were completed and reported back to the board of Governors. During the visits no areas of concern were identified, the systems of internal financial control are being maintained, and resources are being managed in an efficient and effective manner in the areas reviewed.

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 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 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 8 December 2014 and signed on its behalf, by:

Dr U Wilson
Chair of Governors

Miss F Dicker
Accounting Officer

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Gilbert's 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. 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.

Miss F Dicker
Accounting Officer

Date: 8 December 2014

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (who act as governors of St Gilbert's Church of England Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report (including the Strategic 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 board of trustees on 8 December 2014 and signed on its behalf by:

Dr U Wilson
Chair of Governors

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST GILBERT'S CHURCH OF ENGLAND
PRIMARY SCHOOL**

We have audited the financial statements of St Gilbert's Church of England Primary School for the year ended 31 August 2014 which comprise the Statement of financial activities, the Summary income and expenditure account, the Statement of total recognised gains and losses, 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 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

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 2014 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 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST GILBERT'S CHURCH OF ENGLAND
PRIMARY SCHOOL**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Windsor House
A1 Business Park at Long Bennington
Notts
NG23 5JR
15 December 2014

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 31 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Gilbert's Church of England Primary School during the year 1 September 2013 to 31 August 2014 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 Gilbert's 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 St Gilbert's 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 St Gilbert's Church of England Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of St Gilbert's Church of England Primary School's funding agreement with the Secretary of State for Education dated 21 December 2012, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 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.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Anderson

for and on behalf of

Streets Audit LLP

Windsor House
A1 Business Park at Long Bennington
Notts
NG23 5JR

15 December 2014

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2014**

| | Note | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|--|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 2 | 65,087 | 4,000 | - | 69,087 | 2,580,921 |
| Activities for generating funds | 3 | 75,868 | - | - | 75,868 | 41,587 |
| Investment income | 4 | 778 | - | - | 778 | 532 |
| Incoming resources from charitable activities | 5 | - | 1,259,697 | 67,200 | 1,326,897 | 859,280 |
| TOTAL INCOMING RESOURCES | | 141,733 | 1,263,697 | 67,200 | 1,472,630 | 3,482,320 |
| RESOURCES EXPENDED | | | | | | |
| Charitable activities | 8 | 124,654 | 1,134,623 | 61,367 | 1,320,644 | 813,998 |
| Governance costs | 7 | - | 16,536 | - | 16,536 | 21,523 |
| TOTAL RESOURCES EXPENDED | 9 | 124,654 | 1,151,159 | 61,367 | 1,337,180 | 835,521 |
| NET INCOMING RESOURCES BEFORE TRANSFERS | | 17,079 | 112,538 | 5,833 | 135,450 | 2,646,799 |

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

| | Note | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|--|
| Transfers between Funds | 20 | (5,000) | (53,334) | 58,334 | - | - |
| NET INCOMING RESOURCES BEFORE REVALUATIONS | | 12,079 | 59,204 | 64,167 | 135,450 | 2,646,799 |
| Gains and losses on revaluations of investment assets | | 656 | - | - | 656 | 1,038 |
| Actuarial gains and losses on defined benefit pension schemes | | - | (57,000) | - | (57,000) | (14,000) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 12,735 | 2,204 | 64,167 | 79,106 | 2,633,837 |
| <i>Total funds at 1 September 2013</i> | | <i>149,510</i> | <i>(111,847)</i> | <i>2,596,174</i> | <i>2,633,837</i> | - |
| TOTAL FUNDS AT 31 AUGUST 2014 | | 162,245 | (109,643) | 2,660,341 | 2,712,943 | 2,633,837 |

All activities relate to continuing operations.

The notes on pages 23 to 46 form part of these financial statements.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2014**

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | 8 months ended 31 August 2013 £ |
|--|------------------------------------|----------------------------------|-----------------------------|---|
| TOTAL INCOME | 141,733 | 1,330,897 | 1,472,630 | 3,482,320 |
| LESS: TOTAL EXPENDITURE | 124,654 | 1,212,526 | 1,337,180 | 835,521 |
| Net income for the year before transfers | 17,079 | 118,371 | 135,450 | 2,646,799 |
| Transfers between funds | 20 (5,000) | 5,000 | - | - |
| Income less expenditure for the year | 12,079 | 123,371 | 135,450 | 2,646,799 |
| NET INCOME FOR THE YEAR | 20 12,079 | 123,371 | 135,450 | 2,646,799 |

The notes on pages 23 to 46 form part of these financial statements.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2014**

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | 8 months ended 31 August 2013 £ |
|---|------------------------------------|----------------------------------|-----------------------------|---|
| NET INCOME FOR THE YEAR | 20 12,079 | 123,371 | 135,450 | 2,646,799 |
| Gains and losses on revaluations of investment assets | 656 | - | 656 | 1,038 |
| Actuarial gain related to pension scheme | 26 - | (57,000) | (57,000) | (14,000) |
| TOTAL GAINS AND LOSSES RECOGNISED SINCE 1 SEPTEMBER 2013 | 20 12,735 | 66,371 | 79,106 | 2,633,837 |

There is no difference between the income on ordinary activities for the year stated above and its historical cost equivalent.

The notes on pages 23 to 46 form part of these financial statements.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08321824

BALANCE SHEET
AS AT 31 AUGUST 2014

| | Note | £ | 2014 £ | £ | 2013 £ |
|---|------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 16 | | 2,604,118 | | 2,596,174 |
| Investments | 17 | | 12,205 | | 11,549 |
| | | | <u>2,616,323</u> | | <u>2,607,723</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 18 | 52,547 | | 21,477 | |
| Cash at bank and in hand | | 440,235 | | 285,870 | |
| | | <u>492,782</u> | | <u>307,347</u> | |
| CREDITORS: amounts falling due within one year | 19 | (126,162) | | (86,233) | |
| NET CURRENT ASSETS | | | <u>366,620</u> | | <u>221,114</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>2,982,943</u> | | <u>2,828,837</u> |
| Defined benefit pension scheme liability | 26 | | (270,000) | | (195,000) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u>2,712,943</u> | | <u>2,633,837</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | 20 | 160,357 | | 83,153 | |
| Restricted fixed asset funds | 20 | 2,660,341 | | 2,596,174 | |
| Restricted funds excluding pension liability | | <u>2,820,698</u> | | <u>2,679,327</u> | |
| Pension reserve | | (270,000) | | (195,000) | |
| Total restricted funds | | | <u>2,550,698</u> | | <u>2,484,327</u> |
| Unrestricted funds | 20 | | 162,245 | | 149,510 |
| TOTAL FUNDS | | | <u>2,712,943</u> | | <u>2,633,837</u> |

The financial statements were approved by the Governors, and authorised for issue, on 8 December 2014 and are signed on their behalf, by:

Dr U Wilson
Chair of Governors

The notes on pages 23 to 46 form part of these financial statements.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

| | Note | 31 August 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|--|-------------|---------------------------------|--|
| Net cash flow from operating activities | 22 | 155,698 | 183,460 |
| Returns on investments and servicing of finance | 23 | 778 | 211 |
| Capital expenditure and financial investment | 23 | (2,111) | (32,218) |
| Cash transferred on conversion to an academy trust | | - | 134,417 |
| INCREASE IN CASH IN THE YEAR | | 154,365 | 285,870 |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

| | | 31 August 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|--|--|---------------------------------|--|
| Increase in cash in the year | | 154,365 | 285,870 |
| MOVEMENT IN NET FUNDS IN THE YEAR | | 154,365 | 285,870 |
| Net funds at 1 September 2013 | | 285,870 | - |
| NET FUNDS AT 31 AUGUST 2014 | | 440,235 | 285,870 |

The notes on pages 23 to 46 form part of these financial statements.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

The company was incorporated on the 6 December 2012 and commenced as an academy on the 1st January 2013. Accordingly the prior year comparative represents 8 months of operation.

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.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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. For legacies, entitlement is the earlier of the Academy being notified of an impending distribution or the legacy being received.

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

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

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

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

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

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

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 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.

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

| | | |
|-------------------------|---|-------------------|
| Long leasehold land | - | Not depreciated |
| Long leasehold property | - | 2% straight line |
| Furniture and equipment | - | 25% straight line |
| Computer equipment | - | 33% straight line |

1.7 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

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 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.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

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 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|---|--|--|---------------------------------------|--|
| Donations and other voluntary income from clubs, trips etc. | 65,087 | 4,000 | 69,087 | 33,993 |
| Transfer from predecessor school | - | - | - | 2,546,928 |
| | <u>65,087</u> | <u>4,000</u> | <u>69,087</u> | <u>2,580,921</u> |
| Voluntary income | <u>65,087</u> | <u>4,000</u> | <u>69,087</u> | <u>2,580,921</u> |

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|-----------------|--|--|---------------------------------------|--|
| Lettings income | 19,201 | - | 19,201 | 8,273 |
| Catering income | 56,667 | - | 56,667 | 33,314 |
| | <u>75,868</u> | <u>-</u> | <u>75,868</u> | <u>41,587</u> |
| | <u>75,868</u> | <u>-</u> | <u>75,868</u> | <u>41,587</u> |

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

4. INVESTMENT INCOME

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|---------------|------------------------------------|----------------------------------|-----------------------------|--|
| Bank interest | 778 | - | 778 | 532 |

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|----------------------------------|------------------------------------|----------------------------------|-----------------------------|--|
| Academy's Educational Operations | - | 1,326,897 | 1,326,897 | 859,280 |

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|--|
| DfE/EFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 1,141,182 | 1,141,182 | 766,635 |
| Start up grants | - | - | - | 25,000 |
| Other EFA grants | - | 76,120 | 76,120 | 25,215 |
| Capital grants | - | 70,367 | 70,367 | 7,510 |
| | - | 1,287,669 | 1,287,669 | 824,360 |
| Other grants | | | | |
| Local authority grants | - | 38,880 | 38,880 | 25,920 |
| Other grants | - | 348 | 348 | 9,000 |
| | - | 39,228 | 39,228 | 34,920 |
| | - | 1,326,897 | 1,326,897 | 859,280 |

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|----------------------------------|------------------------------------|----------------------------------|-----------------------------|--|
| Academy's Educational Operations | <u>124,654</u> | <u>1,195,990</u> | <u>1,320,644</u> | <u>813,998</u> |

SUMMARY BY EXPENDITURE TYPE

| | Staff costs 2014 £ | Depreciation 2014 £ | Other costs 2014 £ | Total 2014 £ | <i>Total 2013 £</i> |
|----------------------------------|--------------------------|---------------------------|--------------------------|--------------------|-----------------------------|
| Academy's Educational Operations | <u>960,615</u> | <u>61,367</u> | <u>298,662</u> | <u>1,320,644</u> | <u>813,998</u> |

7. GOVERNANCE COSTS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|---|------------------------------------|----------------------------------|-----------------------------|--|
| Auditor's remuneration - audit of financial statements | - | 2,000 | 2,000 | 6,000 |
| Auditor's remuneration - non audit costs including previous auditor's costs | - | 5,250 | 5,250 | - |
| Legal and professional fees | - | 7,861 | 7,861 | 12,326 |
| Personnel fees | - | 1,425 | 1,425 | 3,197 |
| | <u>-</u> | <u>16,536</u> | <u>16,536</u> | <u>21,523</u> |

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. CHARITABLE ACTIVITIES

| | Total funds 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|---|---------------------------------------|--|
| DIRECT COSTS - EDUCATIONAL OPERATIONS | | |
| Wages and salaries | 679,008 | 432,790 |
| National Insurance | 38,876 | 28,695 |
| Pension cost | 92,713 | 65,951 |
| Depreciation | 13,174 | 713 |
| Educational supplies | 31,005 | 14,864 |
| Technology costs | 11,840 | 9,668 |
| Staff development | 14,743 | 4,703 |
| Other direct costs | 32,034 | 27,202 |
| | 913,393 | 584,586 |
| SUPPORT COSTS - EDUCATIONAL OPERATIONS | | |
| Wages and salaries | 113,229 | 70,219 |
| National Insurance | 4,507 | 2,977 |
| Pension cost | 32,282 | 13,211 |
| Depreciation | 48,193 | 17,841 |
| Pension finance cost | 6,000 | 4,000 |
| Maintenance of premises and equipment | 51,126 | 39,746 |
| Cleaning | 4,188 | 2,860 |
| Rent and rates | 6,902 | 1,971 |
| Energy costs | 15,351 | 9,770 |
| Insurance | 10,612 | 9,174 |
| Catering | 68,262 | 39,093 |
| Other support costs | 39,278 | 13,127 |
| Operating lease rentals - other | 4,535 | 3,123 |
| Occupancy costs | 525 | 380 |
| Advertising | 2,261 | 1,920 |
| | 407,251 | 229,412 |
| | 1,320,644 | 813,998 |

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

9. RESOURCES EXPENDED

| | Staff costs | Non Pay Premises | Expenditure Other costs | Total | <i>Total</i> |
|--|----------------|---------------------|----------------------------|------------------|----------------|
| | 2014 £ | 2014 £ | 2014 £ | 2014 £ | 2013 £ |
| Academy's Educational Operations | 810,597 | 13,174 | 89,622 | 913,393 | 584,586 |
| Support costs - Academy's Educational Operations | 156,018 | 58,161 | 193,072 | 407,251 | 229,412 |
| Charitable activities | 966,615 | 71,335 | 282,694 | 1,320,644 | 813,998 |
| Governance | - | - | 16,536 | 16,536 | 21,523 |
| | 966,615 | 71,335 | 299,230 | 1,337,180 | 835,521 |

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Activities undertaken directly | Support costs | Total | <i>Total</i> |
|----------------------------------|--------------------------------------|------------------|-----------|--------------|
| | 2014 £ | 2014 £ | 2014 £ | 2013 £ |
| Academy's Educational Operations | 913,393 | 407,251 | 1,320,644 | 813,998 |

11. NET INCOMING RESOURCES

This is stated after charging:

| | 31 August 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|--|------------------------|--|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 61,367 | 18,554 |
| Auditors' remuneration | 2,000 | 2,000 |
| Auditors' remuneration - non-audit | 5,250 | 4,000 |
| Operating lease rentals: | | |
| - other operating leases | 4,535 | 3,123 |

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

12. STAFF

a. Staff costs

Staff costs were as follows:

| | 31 August 2014 | <i>8 months ended 31 August 2013</i> |
|-------------------------------|---------------------------|--|
| | £ | £ |
| Wages and salaries | 792,237 | 503,009 |
| Social security costs | 43,383 | 31,672 |
| Other pension costs (Note 26) | 124,995 | 79,162 |
| | 960,615 | 613,843 |
| Pension finance cost | 6,000 | 4,000 |
| | 966,615 | 617,843 |

b. Staff numbers

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

| | 31 August 2014 | <i>8 months ended 31 August 2013</i> |
|----------------------------------|---------------------------|--|
| | No. | No. |
| Management | 1 | 1 |
| Teachers and teaching assistants | 22 | 19 |
| Admin and support | 6 | 6 |
| | 29 | 26 |
| | 29 | 26 |

c. Higher paid staff

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

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

13. GOVERNORS' REMUNERATION AND EXPENSES

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

| | 31 August 2014 | <i>8 months ended 31 August 2013</i> |
|--|---------------------------|--|
| | £ | £ |
| Miss F Dicker, Headteacher | 55,000-60,000 | <i>Nil</i> |
| Mrs S Dobson, Staff Governor from 14 February 2014 | 5,000-10,000 | <i>Nil</i> |
| Mr R Westley, Staff Governor from 23 November 2013 | 25,000-30,000 | <i>Nil</i> |
| Mrs M C Thorley, Principal to 31 August 2013 | Nil | <i>35,000-40,000</i> |
| Mrs J Dymond, Staff Governor to 6 November 2013 | 5,000-10,000 | <i>20,000-25,000</i> |
| Mr F J Harris, Staff Governor to 30 January 2014 | 5,000-10,000 | <i>15,000-20,000</i> |

During the year, no Governors received any benefits in kind (2013 - £NIL).

During the year, no Governors received any reimbursement of expenses (2013 - £NIL).

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £503 (2013 - £268). The cost of this insurance is included in the total insurance cost.

15. PENSION FINANCE COST

| | 31 August 2014 | <i>8 months ended 31 August 2013</i> |
|--|---------------------------|--|
| | £ | £ |
| Expected return on pension scheme assets | 13,000 | <i>5,000</i> |
| Interest on pension scheme liabilities | (19,000) | <i>(9,000)</i> |
| | <u>(6,000)</u> | <i><u>(4,000)</u></i> |

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16. TANGIBLE FIXED ASSETS

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|-----------------------|---|---------------------------------|----------------------------|------------------|
| Cost | | | | |
| At 1 September 2013 | 2,611,484 | - | 3,244 | 2,614,728 |
| Additions | 9,844 | 39,400 | 20,067 | 69,311 |
| At 31 August 2014 | <u>2,621,328</u> | <u>39,400</u> | <u>23,311</u> | <u>2,684,039</u> |
| Depreciation | | | | |
| At 1 September 2013 | 17,841 | - | 713 | 18,554 |
| Charge for the year | 43,747 | 9,850 | 7,770 | 61,367 |
| At 31 August 2014 | <u>61,588</u> | <u>9,850</u> | <u>8,483</u> | <u>79,921</u> |
| Net book value | | | | |
| At 31 August 2014 | <u>2,559,740</u> | <u>29,550</u> | <u>14,828</u> | <u>2,604,118</u> |
| At 31 August 2013 | <u>2,593,643</u> | <u>-</u> | <u>2,531</u> | <u>2,596,174</u> |

The long-term leasehold property was included on conversion on the basis of the valuation commissioned by the EFA. Included in long-term leasehold property is land valued at £434,000 which is not depreciated.

17. FIXED ASSET INVESTMENTS

| | Listed securities £ |
|--|---------------------------|
| Market value | |
| At 1 September 2013 | 11,549 |
| Revaluations | 656 |
| At 31 August 2014 | <u>12,205</u> |
| Investments at market value comprise: | |
| | 2014 £ |
| Listed investments | <u>12,205</u> |
| | 2013 £ |
| | <u>11,549</u> |

All the fixed asset investments are held in the UK

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17. FIXED ASSET INVESTMENTS (continued)

Material investments

The above investment, which relates to Miss Boosey Legacy Fund, comprises the CBF Church of England Investment Fund - Income Shares.

Material restrictions

The above investment is not restricted but has been designated by the Governors to provide an income which is applied towards general school funds. The capital is not intended to be liquidated or spent and thus is accounted for as a fixed asset investment.

18. DEBTORS

| | 2014 | 2013 |
|--------------------------------|--------|--------|
| | £ | £ |
| Trade debtors | - | 1,668 |
| Other debtors | 21,680 | 14,157 |
| Prepayments and accrued income | 30,867 | 5,652 |
| | 52,547 | 21,477 |
| | 52,547 | 21,477 |

19. CREDITORS:
Amounts falling due within one year

| | 2014 | 2013 |
|------------------------------------|---------|--------|
| | £ | £ |
| Trade creditors | 72,171 | 43,004 |
| Other taxation and social security | 14,330 | 15,282 |
| Other creditors | 12 | 1,917 |
| Accruals and deferred income | 39,649 | 26,030 |
| | 126,162 | 86,233 |
| | 126,162 | 86,233 |

Deferred income

| | | |
|------------------------------------|--|---------------|
| Resources deferred during the year | | 32,599 |
| | | 32,599 |

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals income relating to the 2014/15 academic year as well as devolved formula capital grants relating to the period 1 September 2014 to 31 March 2015.

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20. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|---|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| Designated funds | | | | | | |
| Miss Boosey Legacy Fund | 11,549 | - | - | - | 656 | 12,205 |
| General funds | | | | | | |
| Other income not for capital purposes | 137,961 | 141,733 | (124,654) | (5,000) | - | 150,040 |
| Total Unrestricted funds | 149,510 | 141,733 | (124,654) | (5,000) | 656 | 162,245 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | 70,320 | 1,141,182 | (1,061,595) | (49,334) | - | 100,573 |
| Other DfE/EFA grants | 12,833 | 75,166 | (43,192) | - | - | 44,807 |
| Other Government grants | - | 38,880 | (23,903) | - | - | 14,977 |
| Other activities | - | 8,469 | (4,469) | (4,000) | - | - |
| Pension reserve | (195,000) | - | (18,000) | - | (57,000) | (270,000) |
| | (111,847) | 1,263,697 | (1,151,159) | (53,334) | (57,000) | (109,643) |
| Restricted fixed asset funds | | | | | | |
| ACMF grant unspent | - | 67,200 | (197) | (9,648) | - | 57,355 |
| EFA capital grants | 16,455 | - | (329) | 9,648 | - | 25,774 |
| Capital expenditure from GAG | 20,030 | - | (16,940) | 58,334 | - | 61,424 |
| Transfer from former school | 2,559,689 | - | (43,901) | - | - | 2,515,788 |
| | 2,596,174 | 67,200 | (61,367) | 58,334 | - | 2,660,341 |
| Total restricted funds | 2,484,327 | 1,330,897 | (1,212,526) | 5,000 | (57,000) | 2,550,698 |
| Total of funds | 2,633,837 | 1,472,630 | (1,337,180) | - | (56,344) | 2,712,943 |

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

The Miss Boosey Legacy Fund originated from the late Miss Boosey, the first ever Head Teacher of the school. The capital from this legacy has been invested and designated by the trustees to provide income

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20. STATEMENT OF FUNDS (continued)

which is to be applied for the educational benefit of the pupils of the school.

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

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

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

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

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

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

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of Academy closure, outstanding local government pension liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

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SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|---------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| Designated funds | 11,549 | - | - | - | 656 | 12,205 |
| General funds | 137,961 | 141,733 | (124,654) | (5,000) | - | 150,040 |
| | <u>149,510</u> | <u>141,733</u> | <u>(124,654)</u> | <u>(5,000)</u> | <u>656</u> | <u>162,245</u> |
| Restricted funds | (111,847) | 1,263,697 | (1,151,159) | (53,334) | (57,000) | (109,643) |
| Restricted fixed asset funds | 2,596,174 | 67,200 | (61,367) | 58,334 | - | 2,660,341 |
| | <u>2,633,837</u> | <u>1,472,630</u> | <u>(1,337,180)</u> | <u>-</u> | <u>(56,344)</u> | <u>2,712,943</u> |

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | <i>8 months ended 31 August 2013 £</i> |
|---|------------------------------------|----------------------------------|---|-----------------------------|--|
| Tangible fixed assets | - | - | 2,604,118 | 2,604,118 | 2,596,174 |
| Fixed asset investments | 12,205 | - | - | 12,205 | 11,549 |
| Current assets | 150,040 | 285,387 | 57,355 | 492,782 | 307,347 |
| Creditors due within one year | - | (125,030) | (1,132) | (126,162) | (86,233) |
| Provisions for liabilities and charges | - | (270,000) | - | (270,000) | (195,000) |
| | <u>162,245</u> | <u>(109,643)</u> | <u>2,660,341</u> | <u>2,712,943</u> | <u>2,633,837</u> |

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22. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 31 August 2014 | <i>8 months ended 31 August 2013</i> |
|---|---------------------------|--|
| | £ | £ |
| Net incoming resources before revaluations | 135,450 | 2,646,799 |
| Returns on investments and servicing of finance | (778) | (211) |
| Deduct transfer of assets on conversion to an Academy | - | (2,546,928) |
| Depreciation of tangible fixed assets | 61,367 | 18,554 |
| Capital grants from DfE | (67,200) | (7,510) |
| Increase in debtors | (31,070) | (21,477) |
| Increase in creditors | 39,929 | 86,233 |
| FRS 17 adjustments | 18,000 | 8,000 |
| | 155,698 | 183,460 |
| Net cash inflow from operations | 155,698 | 183,460 |

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

| | 31 August 2014 | <i>8 months ended 31 August 2013</i> |
|--|---------------------------|--|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | 778 | 211 |
| | 778 | 211 |
| | | |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (69,311) | (39,728) |
| Capital grants from DfE | 67,200 | 7,510 |
| | (2,111) | (32,218) |
| Net cash outflow capital expenditure | (2,111) | (32,218) |

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24. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2013 £ | Cash flow £ | Other non-cash changes £ | 31 August 2014 £ |
|---------------------------|-----------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | 285,870 | 154,365 | - | 440,235 |
| Net funds | 285,870 | 154,365 | - | 440,235 |

25. CONTINGENT LIABILITIES

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

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

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

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 Lincolnshire 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.

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

Teachers' Pension Scheme

Introduction

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

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

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26. PENSION COMMITMENTS (continued)

pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half

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26. PENSION COMMITMENTS (continued)

years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £68,000, of which employer's contributions totalled £52,000 and employees' contributions totalled £16,000. The agreed contribution rates for future years are 19.9% for employers and variable rates 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 2014 % | Fair value at 31 August 2014 £ | <i>Expected return at 31 August 2013 %</i> | <i>Fair value at 31 August 2013 £</i> |
|-------------------------------------|--|---|--|---|
| Equities | 6.30 | 193,000 | <i>6.60</i> | <i>138,000</i> |
| Bonds | 3.60 | 33,000 | <i>4.30</i> | <i>22,000</i> |
| Property | 4.50 | 28,000 | <i>4.70</i> | <i>20,000</i> |
| Total market value of assets | | 254,000 | | <i>180,000</i> |
| Present value of scheme liabilities | | - | | <i>(375,000)</i> |
| Surplus/(deficit) in the scheme | | 254,000 | | <i>(195,000)</i> |

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26. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

| | 31 August 2014 | <i>8 months ended 31 August 2013</i> |
|-------------------------------------|---------------------------|--|
| | £ | £ |
| Present value of funded obligations | (524,000) | (375,000) |
| Fair value of scheme assets | 254,000 | 180,000 |
| | <u>(270,000)</u> | <u>(195,000)</u> |
| Net liability | <u>(270,000)</u> | <u>(195,000)</u> |

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

| | 31 August 2014 | <i>8 months ended 31 August 2013</i> |
|----------------------------------|---------------------------|--|
| | £ | £ |
| Current service cost | (64,000) | (35,000) |
| Interest on obligation | (19,000) | (9,000) |
| Expected return on scheme assets | 13,000 | 5,000 |
| | <u>(70,000)</u> | <u>(39,000)</u> |
| Total | <u>(70,000)</u> | <u>(39,000)</u> |
| Actual return on scheme assets | <u>26,000</u> | <u>16,000</u> |

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

| | 31 August 2014 | <i>8 months ended 31 August 2013</i> |
|--------------------------------------|---------------------------|--|
| | £ | £ |
| Opening defined benefit obligation | 375,000 | 296,000 |
| Current service cost | 64,000 | 35,000 |
| Interest cost | 19,000 | 9,000 |
| Contributions by scheme participants | 16,000 | 10,000 |
| Actuarial Losses | 52,000 | 25,000 |
| Benefits paid | (2,000) | - |
| | <u>524,000</u> | <u>375,000</u> |
| Closing defined benefit obligation | <u>524,000</u> | <u>375,000</u> |

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26. PENSION COMMITMENTS (continued)

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

| | 31 August 2014 | <i>8 months ended 31 August 2013</i> |
|-------------------------------------|---------------------------|--|
| | £ | £ |
| Opening fair value of scheme assets | 180,000 | 123,000 |
| Expected return on assets | 13,000 | 5,000 |
| Actuarial gains and (losses) | (5,000) | 11,000 |
| Contributions by employer | 52,000 | 31,000 |
| Contributions by employees | 16,000 | 10,000 |
| Benefits paid | (2,000) | - |
| | 254,000 | 180,000 |
| | 254,000 | 180,000 |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £71,000 (2013 - £14,000).

The Academy expects to contribute £55,000 to its Defined benefit pension scheme in 2015.

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

| | 2014 | 2013 |
|-------------------|-------------|---------|
| European equities | 76.00 % | 77.00 % |
| European bonds | 13.00 % | 12.00 % |
| Property | 11.00 % | 11.00 % |

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

| | 2014 | 2013 |
|--|-------------|---------|
| Discount rate for scheme liabilities | 3.70 % | 4.60 % |
| Expected return on scheme assets at 31 August | 5.80 % | 6.10 % |
| Rate of increase in salaries | 3.90 % | 5.10 % |
| Rate of increase for pensions in payment / inflation | 2.60 % | 2.80 % |
| Commutation of pensions to lump sums | 63.00 % | 63.00 % |

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

| | 2014 | 2013 |
|----------------------|-------------|------|
| Retiring today | | |
| Males | 22.2 | 21.2 |
| Females | 24.4 | 23.4 |
| Retiring in 20 years | | |
| Males | 24.5 | 23.7 |
| Females | 26.8 | 25.7 |

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26. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

| | 2014 | 2013 |
|--|------------------|------------------|
| | £ | £ |
| Defined benefit obligation | (524,000) | <i>(375,000)</i> |
| Scheme assets | 254,000 | <i>180,000</i> |
| Deficit | (270,000) | <i>(195,000)</i> |
| Experience adjustments on scheme liabilities | (52,000) | <i>(25,000)</i> |
| Experience adjustments on scheme assets | (5,000) | <i>11,000</i> |

27. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

| | 2014 | 2013 |
|-----------------------|--------------|--------------|
| | £ | £ |
| Expiry date: | | |
| Within 1 year | 160 | - |
| Between 2 and 5 years | 1,871 | <i>2,272</i> |

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 governors 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 period 1 September 2013 to 30 January 2014, the spouse of Mr F Harris (Governor) was employed as a relief cleaner on similar terms to other relief cleaners.

29. CONTROLLING PARTY

The trustees as a body have ultimate control of the Academy. There is no individual controlling party.

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FOR THE YEAR ENDED 31 AUGUST 2014

30. MEMBERS LIABILITY

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