

Company Registration No. 07698442 (England and Wales)

**CHADSMEAD PRIMARY ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**



# CHADSMEAD PRIMARY ACADEMY

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# CHADSMEAD PRIMARY ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

S Cartwright (Headteacher)  
D Cole  
A Evans (Chair)  
M Lavenstein  
M Bland  
J Eagland  
B Parker  
P Smith (Resigned 1 September 2015)  
B Johnstone  
T Sayer  
S Vaux  
C Gray (Resigned 31 January 2015)  
B Birchall (Vice Chair) (Appointed 27 March 2015 and resigned 9 November 2015)  
I Chisholm (Appointed 30 November 2014)  
C Hughes (Resigned 24 September 2014)

### Members

D Cole  
A Evans  
M Lavenstein

### Senior management team

S Cartwright (Headteacher and Accounting Officer)  
D Budge  
T Sayer  
A Stevens  
H Taylor  
V Williams

### Company registration number

07698442 (England and Wales)

### Registered office

Friday Acre  
Lichfield  
Staffordshire  
WS13 7HJ

### Independent auditor

Haines Watts Tamworth  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

### Bankers

Lloyds Bank plc  
PO Box 1000  
BX1 1LT

# CHADSMEAD PRIMARY ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Solicitors**

Browne Jacobson LLP  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

### **Education Finance Support Services**

Entrust Support Services  
Riverway Centre  
Riverway  
Stafford  
Staffordshire  
ST16 3TH

# **CHADSMEAD PRIMARY ACADEMY**

## **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2015***

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

### **Structure, governance and management**

#### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Chadsmead Primary Academy Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Chadsmead Primary Academy.

The trustees of Chadsmead Primary Academy are also the directors of the charitable company for the purposes of company law. 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

As part of the overall insurance cover taken out with third party insurers the Academy has taken out insurance relating to Governors' Indemnity. The limit of Indemnity cover is £5 million in this respect.

#### Method of recruitment and appointment or election of trustees

Members of the Academy Trust are automatically appointed as Trustees. Staff Trustees are nominated and elected by ballot if necessary by the staff of the Academy. Parent Trustees are nominated and elected by ballot if necessary by the parents of children attending the Academy. Other (Community) Trustees may be co-opted by the Governing Body. All Trustees other than members of the Academy Trust are considered and elected by the Governing Body.

#### Policies and procedures adopted for the induction and training of trustees

Trustees will be considered for the skills that they can offer to support the Academy. A skills audit is undertaken regularly by the Trustees and training is arranged for any shortfalls. New Trustees are subscribed to the National Governors Association and Modern Governor and have access to formal training through external agencies.

#### Organisational structure

The day to day management of the Academy is delegated to the Academy Leadership Team, led by the Head Teacher who is the accounting officer.

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

No Trustee (unless employed as staff of the academy) has received remuneration for their services. The setting of pay and remuneration for employees is subject to review annually through a Pay Policy, which is adopted in broad terms for teaching staff and the leadership team, in accordance with the national school teacher's pay and conditions publications.

#### Related parties and other connected charities and organisations

Chadsmead Primary Academy School Fund has been aggregated into these accounts as the fund is under the control of the Academy.

# **CHADSMEAD PRIMARY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **Objectives and activities**

#### Objects and aims

Through partnership between Governors, staff, parents, pupils, external partners and the local community, the Academy Trust will provide the facilities, resources and vision to enable the Academy to flourish and provide pupils with the best possible education.

#### Objectives, strategies and activities

The principal activity is the provision of education from Nursery through to Key Stage 2 for children with differing abilities between the age of 3 and 11.

There has been a continued push towards the robust Performance Management of staff, including the accountability and responsibility for pupil performance, particularly from teaching staff.

#### Public benefit

Chadsmead Primary Academy Trust is approved by the Department for Education (DfE) and funded wholly by the Education Funding Agency (EFA) to further the education of pupils admitted under the requirements set out by the EFA Funding Agreement with the admission of pupils without fee. Parents are able to apply for their children to be admitted in accordance with these requirements. Governors ensure that applications are considered appropriately.

### **Strategic report**

#### Achievements and performance

The academy trust aims and objectives were to continue the education of the children in a safe environment with the latest technology and to ensure best use of all resources to deliver excellent teaching and learning. Further to improve the delivery of non-core activities such as sport, languages and music, allowing teachers appropriate time to undertake Planning, Preparation and Assessment Activities (PPA). Trustees received regular updates of the planning and delivery of these aims through Headteachers Reports and updates from other staff at trustees meetings.

#### Key performance indicators

From an operational perspective key performance indicators are derived from the aims and objects of the Academy. As stated in those aims and as indicated in the report on performance the Academy strives to achieve the best outcome for each pupil in terms of educational advancement. Whilst undertaking this aim the governors and staff also want learning to occur in a safe and happy environment.

Standard measures of pupil achievement are key indicators. Staff also consider extra-curricular achievement and child welfare in a broader sense in order to assess success in realising the objectives of the Academy.

#### 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 the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

# **CHADSMEAD PRIMARY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **Financial review**

The financial objectives are to enable the Academy to consistently provide high quality education for all students whilst undertaking to provide the best value for money on resources expended and to conduct all business in accordance with high standards of integrity. Financial objectives and policies are reviewed at each Finance Committee meeting.

The risk management objective is to ensure that there are no events which can substantially impact on the provision of education. A budget with expenditure balanced against expected income from the Education Funding Agency is set, without the reliance on reserves. Additional expenditure may be approved in year, against additional income or reserves as deemed fit by the Trustees.

The policy of the Academy is to review risks arising and address them at governors meetings or sooner if required.

The deficit on the restricted pension fund of £284,000 (2014: £257,000) arises from an actuarial deficit on the local government pension scheme, which will be dealt with as advised by the actuary.

### Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them to commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements, especially to buildings repair not covered by insurance. During 2014 Governors set a Minimum Reserve Policy (MRP) of 5% of the current year's DfE/EFA General Annual Grant, this to be on a best endeavours basis to cover unplanned liabilities and ensure the smooth operation of the Academy. Governors identify capital projects on an annual basis and reserves are reviewed alongside this exercise.

At 31 August 2015 Free Reserves show a surplus £92,752 (2014: £102,009) before pension liabilities.

### Investment policy and powers

The Academy currently has no material investments.

### Principal risks and uncertainties

The principal risks and uncertainties identified by the members are those which may have a substantial impact on the provision of education. These include the loss of / long term illness of key members of staff, fire and flood, loss of computer systems. These risks are addressed so as to minimise any impact on the Academy, for instance ensuring adequate up to date insurance is held and using the County Council for holding the computerised financial records.

In order to further develop the academy and its staff we have implemented a more robust Performance Management approach. The Governors anticipate that this may lead to some difficult discussions with some staff that will need to be managed. As at 31st July the academy has received some grievances from staff and complaints from parents. To support the Governors in dealing with these grievances and complaints the Governors have employed the service of some outside consultants.

### **Plans for future periods**

In accordance with the aims and objectives of Chadsmead Primary Academy Trust, it will continue to further the education and drive improvements in the performance of pupils to the best of their abilities. The Academy will continue to develop its resources, assets and staff to achieve these aims and objectives. Consideration will also be given to the Multi-Academy Trust status.

### **Funds held as custodian trustee on behalf of others**

The Academy has no such funds.

# **CHADSMEAD PRIMARY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2015***

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### **Auditor**

In so far as the trustees are aware:

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

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

A resolution proposing that Haines Watts Tamworth be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16 December 2015 and signed on its behalf by:

  
A Evans  
Chair



# CHADSMEAD PRIMARY ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### Scope of responsibility

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

The 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 Chadsmead Primary Academy 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 Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S Cartwright (Headteacher)	5	6
D Cole	6	6
A Evans (Chair)	5	6
M Lavenstein	5	6
M Bland	6	6
J Eagland	5	6
B Parker	6	6
P Smith (Resigned 1 September 2015)	2	6
B Johnstone	6	6
T Sayer	3	6
S Vaux	6	6
C Gray (Resigned 31 January 2015)	3	3
B Birchall (Vice Chair) (Appointed 27 March 2015 and resigned 9 November 2015)	2	2
I Chisholm (Appointed 30 November 2014)	4	4
C Hughes (Resigned 24 September 2014)	1	1

Governors met on 28 January 2015 to consider and review the '20 Questions' recommended by the Parliamentary Group on Governance & Leadership. This was led by the headteacher and involved the Main Governing Board, where the 20 questions were discussed and evaluated. It was decided to review the structure of governance again in the Spring Term of 2016 with an external review of governance to assist this process. Subsequently, we sought advice from an independent legal adviser and updated the documentation for appointing governors and each trustee being recorded at Companies House as a Director of the Limited Company.

# CHADSMEAD PRIMARY ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

The finance and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to:

Have oversight of all financial and staffing matters, reviewing performance and setting policy as delegated by the Trustees.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
S Cartwright (Headteacher)	10	11
D Cole	10	11
A Evans (Chair)	8	11
M Lavenstein	9	11
B Johnstone	11	11
C Gray (Resigned 31 January 2015)	2	5
B Birchall (Vice Chair) (Appointed 27 March 2015 and resigned 9 November 2015)	3	4

### Review of value for money

As accounting officer the head teacher 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 academy 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:

#### Using Specialist Coaching Staff for PPA

Every teacher is entitled to ten percent of direct contact time away from their class to allow them to plan, prepare and assess. For a number of years at Chadsmead Primary Academy we have employed the services of a sports company to provide specialist sports coaching during this time. This is excellent value for money in that the children have access to excellent PE and sports lessons delivered by a qualified sports coach who has the benefit of up to date training and a wider range of equipment.

We have over the last two years extended this principle to include Modern Foreign Language lessons and Music. These are delivered by staff with qualifications and expertise in these areas. This is cost effective and provides children with expert language and music tuition. This is inspirational to the children and it is clear that during these sessions how much all the children enjoy the new format.

#### Letting of the school premises

We have begun a marketing campaign to make use of our premises during the school holidays and after school during the evening. During the holidays the hall, playground spaces and fields are used by the same sports coaching company that deliver our PPA / PE lessons. They run sports clubs open to all children in the area. It was also used by another organisation for the first time this summer to provide holiday child care through a range of activities. This raises valuable revenue that we can use to improve the premises.

In addition during the Autumn half term break we hosted the community lantern making workshops. This is an annual event that is extremely popular with around 80 lanterns being made across the week. As this is a not for profit event and would directly benefit our local community a nominal sum was charged this year as the school would be open and heated anyway. The value in this event is that of enriching the lives of local children and helping to maintain a community tradition. It also builds links with local people whose children may not attend Chadsmead Primary Academy and other local charity organisations.

# **CHADSMEAD PRIMARY ACADEMY**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2015***

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We have a number of other organisations that hire the premises after school and on Saturdays. They run clubs for children, currently a drama/ performing group and French classes. These all contribute to our revenue supply but also enrich the lives of our pupils and extend their opportunities.

### Improving the learning environment

The communal spaces in school offered huge potential for better use for teaching and learning activities. By rearranging lockers we have created five additional learning areas, where children can either work independently or in small groups led by an adult. The lockers prove an effective barrier between areas and create a comfortable area that the children clearly love working in.

One of our objectives is to encourage mastery within the curriculum. These areas will allow individuals and groups to pursue their own lines of enquiry and so by fitting each area with a bank of computers the children can undertake individual research or create digital ways of recording and expressing their learning.

The previous ICT suite comprised 30 desk top computers spread over two adjoining rooms. The desktop PCs have been relocated around school into newly created learning bays, and a new IT suite has been created in the previous staff room. The children now work from lap tops that can be cleared away and the space be used for other technology based lessons. All of the IT hardware is now more accessible and teachers are now encouraged to incorporate a wider range of technology into their lessons as the equipment is readily available in a purpose designed room.

Relocating the IT suite has allowed the creation of three new areas; a new staff room, staff study space where staff on release time can plan together in teams around a table and not be disturbed and finally, a conference room which has already proved enormously useful in being able to host multi agency meetings and network training sessions. Future plans include researching the potential for this room to be hired out to small companies as meeting space. This again ties into the first example of generating revenue.

### **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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chadsmead Primary Academy for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

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

# CHADSMEAD PRIMARY ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes 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 Staffordshire Audit Services as internal auditor

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

- testing of payroll systems
- testing of purchase systems
- testing of income monitoring
- testing of Accounting Systems
- testing of control accounts/bank reconciliations
- testing Returns to the Dfe/EFA

On a termly basis, the auditor reports to the board of trustees, through the finance and general purposes committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

During the year three reports were received, none of the items raised were rated as High Risk. All recommendations were commented and acted upon.

### Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 16 December 2015 and signed on its behalf by:

S Cartwright  
Headteacher



A Evans  
Chair



# **CHADSMEAD PRIMARY ACADEMY**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015**

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

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

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

Approved on 16 December 2015 and signed by:

S Cartwright  
**Accounting Officer**



# CHADSMEAD PRIMARY ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who also act as governors for Chadsmead Primary Academy and are also the directors of Chadsmead Primary Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts 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 trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 16 December 2015 and signed on its behalf by:



A Evans  
Chair

# **CHADSMEAD PRIMARY ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CHADSMEAD PRIMARY ACADEMY**

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We have audited the accounts of Chadsmead Primary Academy for the year ended 31 August 2015 set out on pages 17 to 36. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

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

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees, who are also the directors of Chadsmead Primary Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts**

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

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

# **CHADSMEAD PRIMARY ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CHADSMEAD PRIMARY ACADEMY**

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#### **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 accounts 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.



**Darren Barlow (Senior Statutory Auditor)**  
**Haines Watts Tamworth**

**Chartered Accountants**  
**Statutory Auditor**  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

Dated: 16 December 2015



# **CHADSMEAD PRIMARY ACADEMY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHADSMEAD PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 02 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chadsmead Primary Academy during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Chadsmead Primary Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Chadsmead Primary Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chadsmead Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Chadsmead Primary Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Chadsmead Primary Academy's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review the framework of authorities which govern the Academy activities
- Review evidence supporting the representatives included in the Accounting officer's statement on regularity, propriety and compliance.
- Undertaking a risk assessment based upon our understanding of the general control environment
- Testing of systems and controls relating to purchases, wages, cash and income to ensure effective operation
- Enquiry into the existence of related parties and if any transactions with such parties exist both directly and via observation when undertaking other work
- Reviewing for any evidence of impropriety resulting from our work then determining if significant enough to report upon should any evidence arise.

# CHADSMEAD PRIMARY ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHADSMEAD PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### 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 period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts Tamworth  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

Dated: 16 December 2015

# CHADSMEAD PRIMARY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds	Restricted funds	Fixed Asset funds	Total 2015	Total 2014
	Notes	£	£	£	£	£
<b>Incoming resources</b>						
<i>Resources from generated funds</i>						
- Voluntary income	2	8,979	4,500	-	13,479	3,726
- Activities for generating funds	3	95,540	5,128	-	100,668	96,776
- Investment income	4	270	-	-	270	274
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	4,341	1,526,742	66,872	1,597,955	1,570,306
<b>Total incoming resources</b>		<b>109,130</b>	<b>1,536,370</b>	<b>66,872</b>	<b>1,712,372</b>	<b>1,671,082</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	107,494	1,476,672	82,845	1,667,011	1,460,906
Governance costs	8	-	45,137	-	45,137	34,416
<b>Total resources expended</b>	6	<b>107,494</b>	<b>1,521,809</b>	<b>82,845</b>	<b>1,712,148</b>	<b>1,495,322</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>1,636</b>	<b>14,561</b>	<b>(15,973)</b>	<b>224</b>	<b>175,760</b>
Gross transfers between funds		(41,866)	(51,818)	93,684	-	-
<b>Net income/(expenditure) for the year</b>		<b>(40,230)</b>	<b>(37,257)</b>	<b>77,711</b>	<b>224</b>	<b>175,760</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	1,000	-	1,000	(110,000)
<b>Net movement in funds</b>		<b>(40,230)</b>	<b>(36,257)</b>	<b>77,711</b>	<b>1,224</b>	<b>65,760</b>
Fund balances at 1 September 2014		41,010	(154,991)	1,465,878	1,351,897	1,286,137
<b>Fund balances at 31 August 2015</b>		<b>780</b>	<b>(191,248)</b>	<b>1,543,589</b>	<b>1,353,121</b>	<b>1,351,897</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

# CHADSMEAD PRIMARY ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	11		1,542,768		1,465,878
<b>Current assets</b>					
Debtors	12	71,158		77,658	
Cash at bank and in hand		278,890		270,216	
		350,048		347,874	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(255,695)		(200,818)	
<b>Net current assets</b>			94,353		147,056
<b>Total assets less current liabilities</b>			1,637,121		1,612,934
Creditors: amounts falling due after more than one year	14		-		(4,037)
<b>Net assets excluding pension liability</b>			1,637,121		1,608,897
Defined benefit pension liability	18	(284,000)		(257,000)	
<b>Net assets</b>			1,353,121		1,351,897
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			1,543,589		1,465,878
- General funds			92,752		102,009
- Pension reserve			(284,000)		(257,000)
<b>Total restricted funds</b>			1,352,341		1,310,887
<b>Unrestricted income funds</b>	16		780		41,010
<b>Total funds</b>			1,353,121		1,351,897

The accounts were approved by order of the board of trustees and authorised for issue on 16 December 2015.

A Evans  
Chair



Company Number 07698442

# CHADSMEAD PRIMARY ACADEMY

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	19	110,067	211,544
<b>Returns on investments and servicing of finance</b>			
Investment income	270	274	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		270	274
		110,337	211,818
<b>Capital expenditure and financial investments</b>			
Capital grants received	66,872	94,412	
Payments to acquire tangible fixed assets	(159,735)	(109,335)	
<b>Net cash flow from capital activities</b>		(92,863)	(14,923)
<b>Net cash inflow/(outflow) before financing</b>		17,474	196,895
<b>Financing</b>			
Repayment of other loan	(8,800)	(8,713)	
<b>Net cash inflow/(outflow) from funding</b>		(8,800)	(8,713)
<b>Increase/(decrease) in cash</b>	20	8,674	188,182

# CHADSMEAD PRIMARY ACADEMY

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

---

### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### 1.2 Going concern

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

#### 1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### Grants receivable

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

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

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

##### Donations

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

##### Other income

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

##### Donated services and gifts in kind

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

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 1 Accounting policies

(Continued)

##### 1.4 Resources expended

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

##### Costs of generating funds

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

##### Charitable activities

These are costs incurred on the academy trust's educational operations.

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

##### 1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Land and buildings have been valued on the period based upon information available.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, as follows:

Long leasehold buildings	20 years straight line
Computer equipment	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance

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.

##### 1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### 1 Accounting policies

(Continued)

#### 1.7 Taxation

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

#### 1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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

#### 1.9 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.



# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Private sponsorship	-	-	-	3,726
Other donations	8,979	4,500	13,479	-
	<u>8,979</u>	<u>4,500</u>	<u>13,479</u>	<u>3,726</u>

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	11,317	-	11,317	7,784
Catering income	41,251	-	41,251	74,367
Music tuition	13,107	-	13,107	-
Parental contributions	29,865	5,128	34,993	10,978
Other income	-	-	-	3,647
	<u>95,540</u>	<u>5,128</u>	<u>100,668</u>	<u>96,776</u>

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	<u>270</u>	<u>-</u>	<u>270</u>	<u>274</u>

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	1,253,291	1,253,291	1,273,030
Capital grants	-	66,872	66,872	94,412
Other DfE / EFA grants	-	181,681	181,681	105,558
	-	1,501,844	1,501,844	1,473,000
<b>Other government grants</b>				
Local authority grants	-	91,770	91,770	97,306
<b>Other funds</b>				
Other incoming resources	4,341	-	4,341	-
<b>Total funding</b>	4,341	1,593,614	1,597,955	1,570,306

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
<b>Academy's educational operations</b>					
- Direct costs	989,045	-	101,538	1,090,583	933,881
- Allocated support costs	257,809	123,397	195,222	576,428	527,025
	1,246,854	123,397	296,760	1,667,011	1,460,906
<b>Other expenditure</b>					
Governance costs	-	-	45,137	45,137	34,416
<b>Total expenditure</b>	1,246,854	123,397	341,897	1,712,148	1,495,322

Net income/(expenditure) for the year includes:

	2015 £	2014 £
Operating leases		
- Other	-	6,654
Fees payable to auditor		
- Audit	5,750	7,224

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<b>Direct costs</b>				
Teaching and educational support staff costs	7,043	972,027	979,070	843,560
Technology costs	-	11,711	11,711	11,685
Educational supplies and services	26,702	41,102	67,804	69,733
Staff development	-	9,975	9,975	6,580
Other direct costs	8,725	13,298	22,023	2,323
	<u>42,470</u>	<u>1,048,113</u>	<u>1,090,583</u>	<u>933,881</u>
<b>Allocated support costs</b>				
Support staff costs	50,566	207,243	257,809	264,871
Depreciation	-	82,845	82,845	71,876
Technology costs	-	4,450	4,450	-
Maintenance of premises and equipment	-	40,552	40,552	25,982
Cleaning	-	26,718	26,718	30,802
Energy costs	4,329	19,084	23,413	19,515
Rent and rates	-	12,583	12,583	6,654
Insurance	-	32,181	32,181	28,445
Security and transport	-	367	367	1,734
Catering	9,200	52,117	61,317	42,595
Interest and finance costs	-	4,000	4,000	3,000
Other support costs	929	29,264	30,193	31,551
	<u>65,024</u>	<u>511,404</u>	<u>576,428</u>	<u>527,025</u>
<b>Total costs</b>	<u>107,494</u>	<u>1,559,517</u>	<u>1,667,011</u>	<u>1,460,906</u>

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	39,647	39,647	27,192
Auditor's remuneration	-	-	-	-
- Audit of financial statements	-	5,890	5,890	7,224
- Other audit costs	-	(458)	(458)	-
Other governance costs	-	58	58	-
	<u>-</u>	<u>45,137</u>	<u>45,137</u>	<u>34,416</u>

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 9 Staff costs

	2015 £	2014 £
Wages and salaries	976,814	867,398
Social security costs	58,105	46,120
Other pension costs	164,892	105,400
	<u>1,199,811</u>	<u>1,018,918</u>
Supply teacher costs	54,748	104,890
Compensation payments	(17,680)	(15,377)
Staff development and other staff costs	9,975	6,580
	<u>1,246,854</u>	<u>1,115,011</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	12	13
Administration and support	20	27
Management	6	6
	<u>38</u>	<u>46</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,000 - £65,000	<u>1</u>	<u>1</u>

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 10 Trustees' remuneration and expenses

Principal and staff trustees only received remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. The value of trustees' remuneration was as follows:

S Cartwright	£65,000-£70,000	(2014: £60,000-£65,000)
B Parker	£40,000-£45,000	(2014: £35,000-£40,000)
T Sayer	£45,000-£50,000	(2014: £45,000-£50,000)
S Vaux	£25,000-£30,000	(2014: £20,000-£25,000)

#### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2015, nor for the year ended 31 August 2014.

#### Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5m on any one claim and the cost for the year ended 31 August 2015 was £455 (2014: £1,300). The cost of this insurance is included in the total insurance cost.

#### 11 Tangible fixed assets

	Long leasehold buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 September 2014	1,466,013	121,065	40,905	1,627,983
Additions	55,460	7,468	96,807	159,735
At 31 August 2015	1,521,473	128,533	137,712	1,787,718
<b>Depreciation</b>				
At 1 September 2014	106,833	45,481	9,791	162,105
Charge for the year	58,499	9,323	15,023	82,845
At 31 August 2015	165,332	54,804	24,814	244,950
<b>Net book value</b>				
At 31 August 2015	1,356,141	73,729	112,898	1,542,768
At 31 August 2014	1,359,180	78,441	28,257	1,465,878

Property transferred on conversion has been valued by DTZ on the "value to the business" model. The valuers have calculated a depreciated replacement cost - they have considered the cost of replacing property with a modern equivalent and then adjusted for any deterioration and any relevant obsolescence and optimisation.

Land and buildings were valued at 31 August 2012.

The total value of non depreciable land included in the above valuation is £296,026 (2014: £296,026).

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

<b>12 Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	410	-
VAT recoverable	31,942	-
Other debtors	471	10,538
Prepayments and accrued income	38,335	67,120
	<u>71,158</u>	<u>77,658</u>
<b>13 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Other loans	3,952	8,715
Trade creditors	150,472	3,970
Taxes and social security costs	35,688	30,936
Accruals	16,911	106,245
Deferred income	48,672	50,952
	<u>255,695</u>	<u>200,818</u>
<b>14 Creditors: amounts falling due after more than one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Other loans	-	4,037
	<u>-</u>	<u>4,037</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	3,952	12,752
Less: included in current liabilities	(3,952)	(8,715)
	<u>-</u>	<u>4,037</u>
Amounts included above	-	4,037
	<u>-</u>	<u>4,037</u>
<b>Loan maturity</b>		
Debt due in one year or less	3,952	8,715
In more than one year but not more than two years	-	4,037
	<u>3,952</u>	<u>12,752</u>

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

15	Deferred income			2015	2014	
				£	£	
	Deferred income is included within:					
	Creditors due within one year			48,672	50,952	
	Total deferred income at 1 September 2014			50,952	23,185	
	Amounts credited to the statement of financial activities			(50,952)	(23,185)	
	Amounts deferred in the year			48,672	50,952	
	Total deferred income at 31 August 2015			48,672	50,952	
16	Funds					
		Balance at 1	Incoming	Resources	Gains, losses	Balance at 31
		September 2014	resources	expended	& transfers	August 2015
		£	£	£	£	£
	Restricted general funds					
	General Annual Grant	94,586	1,253,291	(1,219,777)	(41,504)	86,596
	Other DfE / EFA grants	-	181,681	(177,954)	(10,314)	(6,587)
	Other government grants	-	91,770	(85,925)	-	5,845
	Other restricted funds	7,423	9,628	(10,153)	-	6,898
	Funds excluding pensions	102,009	1,536,370	(1,493,809)	(51,818)	92,752
	Pension reserve	(257,000)	-	(28,000)	1,000	(284,000)
		(154,991)	1,536,370	(1,521,809)	(50,818)	(191,248)
	Restricted fixed asset funds					
	DfE / EFA capital grants	94,229	66,872	(11,213)	-	149,888
	Capital expenditure from GAG or other funds	49,753	-	(7,932)	65,301	107,122
	Private sector capital sponsorship	1,321,896	-	(63,700)	28,383	1,286,579
		1,465,878	66,872	(82,845)	93,684	1,543,589
	Total restricted funds	1,310,887	1,603,242	(1,604,654)	42,866	1,352,341
	Unrestricted funds					
	General funds	41,010	109,130	(107,494)	(41,866)	780
	Total funds	1,351,897	1,712,372	(1,712,148)	1,000	1,353,121

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 16 Funds

(Continued)

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

#### Restricted funds

These comprise all restricted funds other than restricted fixed asset funds and included grants from The Education Funding Agency and local authority.

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

#### Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

#### Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education Funding Agency and local authority where the asset acquired or created is held for a specific purpose.

### 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2015 are represented by:</b>				
Tangible fixed assets	-	-	1,542,768	1,542,768
Current assets	2,450	346,777	821	350,048
Creditors falling due within one year	(1,670)	(254,025)	-	(255,695)
Defined benefit pension liability	-	(284,000)	-	(284,000)
	<u>780</u>	<u>(191,248)</u>	<u>1,543,589</u>	<u>1,353,121</u>

### 18 Pensions and similar obligations

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

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



# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 18 Pensions and similar obligations

(Continued)

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.

The pension costs paid to the TPS in the period amounted to £140,729 (2014: £133,538).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

##### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The agreed contribution rates for future years are 14.5% for employers and 6.7% for employees. The estimated value of employer contributions for the forthcoming year is £64,000.

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.

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

(Continued)

Contributions made	2015 £	2014 £
Employer's contributions	56,000	36,000
Employees' contributions	16,000	11,000
Total contributions	<u>72,000</u>	<u>47,000</u>
 Principal actuarial assumptions	 2015 %	 2014 %
Rate of increase in salaries	4.6	4.5
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	<u>3.8</u>	<u>3.7</u>

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

	2015 Years	2014 Years
Retiring today		
- Males	22.1	22.1
- Females	24.3	24.3
Retiring in 20 years		
- Males	24.3	24.3
- Females	<u>26.6</u>	<u>26.6</u>

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.8%	239,000	6.3%	186,000
Bonds	3.8%	35,000	3.4%	32,000
Cash	3.8%	19,000	3.3%	7,000
Property	3.8%	29,000	4.5%	20,000
Total market value of assets		322,000		245,000
Present value of scheme liabilities - funded		(606,000)		(502,000)
Net pension asset / (liability)		(284,000)		(257,000)

The expected rate of return on the Scheme assets is based on market expectations at the beginning of the period.

The actual return on the Scheme assets was £8,000 (2014: £25,000)

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

	2015 £	2014 £
<b>Operating costs/(income)</b>		
Current service cost (net of employee contributions)	80,000	44,000
Past service cost	-	-
Total operating charge	80,000	44,000
<b>Finance costs/(income)</b>		
Expected return on pension scheme assets	(16,000)	(12,000)
Interest on pension liabilities	20,000	15,000
Net finance costs/(income)	4,000	3,000
<b>Total charge/(income)</b>	84,000	47,000

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

(Continued)

#### Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	8,000	(17,000)
Experience (gains)/losses on liabilities	(9,000)	127,000
(Gains)/losses arising from changes in assumptions	-	-
	<u>          </u>	<u>          </u>
Total (gains)/losses	(1,000)	110,000
	<u>          </u>	<u>          </u>
Cumulative (gains)/losses to date	125,000	126,000
	<u>          </u>	<u>          </u>

#### Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(502,000)	(308,000)
Current service cost	(80,000)	(44,000)
Interest cost	(20,000)	(15,000)
Contributions by employees	(16,000)	(11,000)
Actuarial gains/(losses)	9,000	(127,000)
Benefits paid	3,000	3,000
	<u>          </u>	<u>          </u>
At 31 August 2015	(606,000)	(502,000)
	<u>          </u>	<u>          </u>

#### Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	245,000	172,000
Expected return on assets	16,000	12,000
Actuarial gains/(losses)	(8,000)	17,000
Contributions by employers	56,000	36,000
Contributions by employees	16,000	11,000
Benefits paid	(3,000)	(3,000)
	<u>          </u>	<u>          </u>
At 31 August 2015	322,000	245,000
	<u>          </u>	<u>          </u>

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

(Continued)

#### History of experience gains and losses

	2015 £	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(606,000)	(502,000)	(308,000)	(245,000)
Fair value of share of scheme assets	322,000	245,000	172,000	114,000
Surplus / (deficit)	<u>(284,000)</u>	<u>(257,000)</u>	<u>(136,000)</u>	<u>(131,000)</u>
Experience adjustment on scheme assets	(8,000)	17,000	(8,000)	(18,000)
Experience adjustment on scheme liabilities	<u>9,000</u>	<u>(127,000)</u>	<u>12,000</u>	<u>(2,000)</u>

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

	2015 £	2014 £
Net income	224	175,760
Capital grants and similar income	(66,872)	(94,412)
Investment income	(270)	(274)
Defined benefit pension costs less contributions payable	24,000	8,000
Defined benefit pension finance costs/(income)	4,000	3,000
Depreciation of tangible fixed assets	82,845	71,876
(Increase)/decrease in debtors	6,500	(59,224)
Increase/(decrease) in creditors	59,640	106,818
Net cash inflow/(outflow) from operating activities	<u>110,067</u>	<u>211,544</u>

### 20 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase/(decrease) in cash	8,674	188,182
Repayment of other loan	8,800	8,713
Net funds at 1 September 2014	<u>257,464</u>	<u>60,569</u>
Net funds at 31 August 2015	<u>274,938</u>	<u>257,464</u>

# CHADSMEAD PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 21 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	270,216	8,674	-	278,890
Debt due within one year	(8,715)	8,800	(4,037)	(3,952)
Debt due after one year	(4,037)	-	4,037	-
	(12,752)	8,800	-	(3,952)
Net balances	257,464	17,474	-	274,938

### 22 Related parties

No related party transactions took place in the period of account.

### 23 Members' liability

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