

Company Registration No. 08693259 (England and Wales)

**SKELTON PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

SKELTON PRIMARY SCHOOL

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SKELTON PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

L Halbert (resigned 19/07/2015)
C Farrel
E Mcleod
L Willis-Keeler

Trustees

L Halbert (Resigned 19 July 2015)
C Farrel (Vice Chair)
E McLeod
S Walker (Accounting Officer)
L Willis-Keeler (Chair)
S Dick (Resigned 18 March 2015)
A Woolf
A Oswald
J Swainson
R Lowery
D Butcher (Appointed 20 July 2015)
M Brayshaw (Appointed 20 July 2015)
K Chisholm (Appointed 20 July 2015)

Senior management team

- Headteacher	S Walker
- Deputy Headteacher	A Oswald
- Assistant Headteacher	N Chapman
- Assistant Headteacher	A Carson
- Assistant Headteacher	S Theakston
- School Business Manager	D Chadwick

Company registration number

08693259 (England and Wales)

Registered office

Station Lane
Skelton
Saltburn by the Sea
TS12 2LR

Independent auditor

Evolution Business and Tax Advisors LLP
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
37 Westgate
Guisborough
TS14 6BD

SKELTON PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

BHP Law LLP
49 Coniscliffe Road
Darlington
DL3 7EH

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

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

The trust operates a three form entry Primary School with two Nurseries, in Skelton-In-Cleveland. The School has a pupil capacity of 630 and had a roll of 621 in the school census in January 2015.

Structure, governance and management

Constitution

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

The trustees of Skelton Primary School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Skelton Primary School "a primary academy"

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the 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

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the School trust shall be indemnified out of the assets of the School Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Method of recruitment and appointment or election of trustees

The members may appoint up to 8 Governors. In addition to the Governors Appointed, the members may appoint Staff governors through such process as they may determine. The total number of Governors (including the HT) who are employees of the Trust shall not exceed one third of the total number of Governors. Parent Governors will be elected by Parents of registered pupils at the Trust. A Parent Governor must be a parent of a pupil at the time when he is elected. In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Trust; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Policies and procedures adopted for the induction and training of trustees

The Governing Body has a Service Level Agreement with the Local Authority Governing Body Department, who advise Governors and minute meetings. Included in the SLA is a training package for all Trustees. A report is given at each Governing Body meeting on training undertaken.

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

The Head Teacher is the Schools Accounting Officer. The School has a Senior Leadership Team (SLT) that is made up of the Head Teacher, Deputy Head Teacher, Three Assistant Heads and the School Business Manager. The School also has a Management Team that consists of the above plus four Curriculum Team Leaders. Decisions and developments on the day to day running of the School are approved at SLT level in line with the School Improvement Plan. The Governing Body is made up of 3 sub committees, each committee has a member of the SLT to act in an advisory capacity – each committee has its own remit. Depending on the committee remit decisions can be made at subcommittee or full governing body level. All decisions that have a financial implication are made in line with the School's Finance Handbook. The budget is approved by the Full Governing Body. The Governors are responsible for the strategic management of the school; approving and setting key aspects of the school, including strategic direction, annual budget, recruitment of senior members of staff, policy changes etc. The Head teacher and staff are responsible for the operational management. School policies are developed by senior members of the school staff to reflect both the strategic direction agreed by the Governors and statutory requirements. Policies are approved and adopted by the Governing Body and implemented as procedures by the SLT and Management Team.

Related parties and other connected charities and organisations

The School is an associate member of the East Cleveland Co-operative Learning Trust. The Trust meets legal requirements and has exclusively charitable objectives. The Trust is made up of nine maintained schools and ten associate members including primary, secondary and Academies. The Trust assists its members in delivering on the Trust's legal requirement to promote community cohesion. The co-operative membership dimension also greatly and actively assists this process. Part of the Trust's remit is to Collaborate and the group collectively seek to purchase goods and services to obtain value for money.

The school has a Parent & Teacher Association called Friends of Skelton Primary School. Friends support the School by fundraising and making links with the local community.

As a single Academy the school elected to offer support to a local primary (Lingdale Primary) particularly in the management and delivery of support to children with Special Educational Needs.

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and activities

Objects and aims

The principal object and aim of the Trust is the operation of Skelton Primary School to provide education in a safe secure environment to pupils between 4-11

The aims of the school rest on the following principles and beliefs:-

Moral principles

We hope to promote a real sense of community and desire to contribute to the world at large. Children will be encouraged to respect and value all people and celebrate their similarities and differences.

The search for excellence

Our family members will be given every opportunity to develop their talents to the full. We aim to develop a culture of trust in which individuals are encouraged to take risks in their learning and getting something wrong is seen as an opportunity for growth

A happy school family environment

We aim to extend a warm welcome and provide stimulating and challenging learning opportunities for everyone. A constantly improving example of an exciting and enriching curriculum will be promoted offering opportunities for pupils to recognise, develop and share their wide variety of talents and skills within a healthy and safe environment.

The uniqueness of the individual

All pupils are valued and respected as individuals so that they may be helped to fulfil their unique role in the 21st century. We aim to promote self- esteem and confidence and to celebrate achievement within the school family.

The education of the whole person

We aim to encourage all members of the community to develop a positive attitude and active involvement in school life. To promote the importance of positive relationships and partnership throughout the school family and beyond.

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

Skelton Primary School became an academy on November 1st 2013. It has 621 on role with two nurseries and three form entry in all year groups. Key areas for reflection and celebration in 2014/15 include:

Child Wellbeing

- Nurture, counselling, Care Team & inclusion provision

Pupil Leadership

- Approachable, friendly, open 'spirit' amongst all children from Foundation Stage to Year 6.
- Buddy reading between year groups has been and will continue to be a great success
- Pupil leadership in key areas especially teaching & learning, eco, UNICEF, hospitality and community

Parents

- Support for our children, encouraging them with family values as well as trying their best in home and at school
- Support for our school in terms of policies and procedures, especially uniform and punctuality and supporting out of hours clubs and attending social functions

Staffing

- Quality of teaching staff & dynamic of staffing structure nurturing year group identity and development
- Quality of support recognised as very important in all non- teaching staff including classroom support, office and site staff
- Resilience & fantastic support of staff during devastating floods of September & subsequent disruption over two terms
- Positive impact on teaching standards from networking with local schools: East Cleveland Cooperative(ECCoop) &, North East Teaching Alliance (NESTA)

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Standards

- RAISE online data shows CVA of: 102.4 with better than good progress throughout school (2014)
- Key areas:
 - GLD improved from 2014 to above National Average
 - Y1 phonics also improved on 2014 to 83% pass rate, making this above National.
 - KS1 continued to close the gap to National Average APS so that at 2b+ we are in line- with all groups making at least 4pp.
 - At KS2 pupils in writing are a term ahead of those nationally and are in line with those nationally in Reading and Maths.
 - Across other groups- APS remains in line with school expectations and progress measures show that each year group has made good or better progress this year (2015).
- Personalised learning to meet the needs of our young children, a significant percentage of whom join us below expected levels
- Successful Ofsted 2012

Governors are committed to develop and improve the provision of Skelton Primary School to meet the educational and emotional needs of its pupils, this will be achieved by:-

- Developing skills in early phonics, reading and to further develop reading comprehension
- Further extend the value of impact of Teaching & Learning
- Providing further tailored provision for our most vulnerable or 'invisible pupils in danger of under achievement'

Public benefit

The Trustees have considered and adhered to the Charity Commission's guidance on Public benefit. The key public benefit delivered by Skelton Primary School is the maintenance and development of high quality education to its pupils and the support to their families and the whole community.

Strategic report

Achievements and performance

The school achieved a good Ofsted report in 2012, since then the school has strived to continue to develop and improve in all areas including the achievement of our pupils, teaching & learning, behaviour and leadership and management. The School is continuing to improve and is looking to become an outstanding school.

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Key performance indicators

KEY STAGE TWO RESULTS:

	2 Year Average 2014-15 L4 +	National Average	2 Year Average 2014-15 L5 +	National Average
Math	94%	87%	47.5%	42%
Reading	95.7%	89%	43%	48%
Writing	95.4%	85%	46.6%	36%

2015

	2 levels progress	3 levels progress	12 point progress +	Value added PP
Math	99%	62%	99%	15.8pp
Reading	99%	54%	97%	15.2pp
Writing	97%	76%	97%	17.2pp

Progress by G&T:

Progress by HA:

Progress by MA:

	<u>R</u>	<u>W</u>	<u>M</u>			<u>R</u>	<u>W</u>	<u>M</u>			<u>R</u>	<u>W</u>	<u>M</u>
<u>Y1</u>	4.2	5.3	4.7		<u>Y1</u>	4.1	4.8	3.8		<u>Y1</u>	4	4.2	4.7
<u>Y2</u>	6	6.5	7		<u>Y2</u>	4.4	5.5	5.2		<u>Y2</u>	4.7	4.5	4.7
<u>Y3</u>	3.5	2.5	5.5		<u>Y3</u>	3.2	3.4	4.2		<u>Y3</u>	4	4.2	3.7
<u>Y4</u>	5	2.5	5		<u>Y4</u>	5.3	2.7	4.6		<u>Y4</u>	7	2.3	4
<u>Y5</u>	4	3.7	4.7		<u>Y5</u>	4.2	3.7	4.6		<u>Y5</u>	3.9	4	4
<u>Y6</u>	3.9	5.7	5.9		<u>Y6</u>	3.8	5.8	5.5		<u>Y6</u>	4.2	5.5	5.8
<u>School Ave</u>	4.4pp	4.3pp	5.4pp		<u>School Ave</u>	4.1pp	4.3pp	4.6pp		<u>School Ave</u>	4.6pp	4.1pp	4.4pp

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Progress by LA:

Progress by SEN:

Progress by LAC:

	<u>R</u>	<u>W</u>	<u>M</u>		<u>R</u>	<u>W</u>	<u>M</u>		<u>R</u>	<u>W</u>	<u>M</u>	
<u>Y1</u>	4.3	3.9	4.5		<u>Y1</u>	4.4	4.1	4.8		<u>Y1</u>		
<u>Y2</u>	4.8	4	5.1		<u>Y2</u>	3.2	2.5	3.5		<u>Y2</u>		
<u>Y3</u>	4	3.9	4.2		<u>Y3</u>	3.8	3.6	4.8		<u>Y3</u>		
<u>Y4</u>	5.5	3.4	3.2		<u>Y4</u>	6.4	6.3	3.3		<u>Y4</u>		
<u>Y5</u>	4.6	4.3	3		<u>Y5</u>	4.5	4.8	3.3		<u>Y5</u>		
<u>Y6</u>	5	6.3	7.2		<u>Y6</u>	4.9	5.7	6.5		<u>Y6</u>		
<u>School Ave</u>	4.7pp	4.3pp	5pp		<u>School Ave</u>	4.6pp	4.5pp	4.3pp		<u>School Ave</u>		

Free school meals and Pupil Premium:

At Key Stage 1, the gap in attainment has continued to close in Reading and Maths, However, the gap remains in Writing. At Key Stage 2, the gap in attainment has continued to close in Reading, Writing and Maths.

Points progress	Y1 PP	Y2PP	Y3PP	Y4PP	Y5PP	Y6PP
Spr14-Spr 15 (target 4pp)						
Reading	3.95	4	3.4	4.2	4	4.5
Writing	3.8	3.6	3.8	3.7	4.6	6
Maths	4.4	4	4.4	3.3	2.9	6

Going concern

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

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

The principal sources of income are the EFA and the Local Authority. Total income for the 12 month period was £2,682,431 of which £2,174,322 (81%) came from EFA, £246,085 (9%) came from the LA and £262,024 (10%) came from other sources. GAG income is used to fund the following principal expenses:

- Teaching and support within the classrooms
- Non- teaching support for administration, finance, site maintenance
- Staff training
- Operational contracts/SLAs for day to day management
- Educational materials
- Utility services
- Rates

The Key headlines of the School Improvement Plan are to support and improve the following areas:-

- **Reading**
- **Teaching & Learning**
- **Personal, Social & Emotional development**
- **Data**

These areas will be targeted by investing in

- Resources - Reading books
 - Reading resources, equipment and staff training
 - Website portfolios
 - Investing in musical instruments and composition equipment FS-Y6
- Personal, Social & Emotional development
 - Extend counselling provision
 - Introduce a Friday afternoon enrichment
 - New rewards systems around behaviour, attendance
- Staff CPD - bespoke staff training on new assessment
 - staff release to see good practice in neighbouring schools
- Staffing - staff for interventions
 - Employing our own family support worker
 - Extending our finance team in the office

In respect of the Building we have a rolling programme of maintenance and decoration. We have plans to remodel and refurbish an existing teaching area to create extra office space for the HT/DHT and the Leadership team. The KS1 learning environment (Y1) has been improved with the installation of suspended ceiling and energy saving LED lights. Plans are still underway to significantly improve the outdoor FS1 + 2 areas and create an exciting natural world environment. We are still in the process of obtaining quotes for the resurface of the KS2 playground.

Reserves policy

The budget is accompanied by a statement of assumptions and hierarchy of priorities so that if circumstances change, it is simple for all concerned to take remedial action. The budget should be seen as a working document which may need revising throughout the year as circumstances change. It is not anticipated that the annual budget should show a large surplus of funds over expenditure. Irrespective of the carry-forward calculation, it is not deemed responsible to try and build up significant reserves unless there is a particular project that requires savings to fund it over a number of years. School reserves are considered to be sufficient to cope with any unforeseen contingencies. At 31 August 2015 the academies unrestricted reserves were £240,379 and the general restricted reserves were £328,502.

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Investment policy and powers

The School does not hold any Investments and will wait to establish a stable Cash Flow. When Governors feel that cash flow is stable, if it is found that the School is able to generate better returns than currently provided in the deposit account investments will be made by creating termly deposits for longer periods with the Schools Bankers – Lloyds.

Principal risks and uncertainties

An essential part of financial planning is consideration of risks to the School. This covers all risks, not merely financial risks, as mitigation of non-financial risks can still have financial consequences. The SBM maintains a detailed risk -register. This needs to be updated regularly and considered by the Governing Body alongside the annual budget submission. The Resource Employment Finance and Audit Committee should have risk management as a standing item on their agenda, and any significant changes to the register should be considered at each meeting.

The principal risks have been identified as:

- Reputational – to continue to attract significant numbers of pupils by maintaining and improving educational standards
- EFA Funding – there is no guarantee that government policy or practice will remain the same, policy changes could have a negative impact on funding levels
- Universal Infant Free School Meals – the introduction of UIFSM could potentially affect the level of funding if parents entitled to Free School Meals do not register their entitlement.

Plans for future periods

Where we will be in 2015/16

PUPILS - Confident, motivated children with a clear picture of their role and where they fit as twenty first century young people

PARENTS - Further informed on what their children are learning, and how they can help them

CURRICULUM - Twenty first century curriculum incorporating life skill and academic rigour preparing the children for the next stage in their education on the journey to a purposeful & rewarding adult life

STANDARDS - Secured an outstanding Ofsted status

COLLABORATIONS - Working in a number of high quality collaborations, directly impacting on standards for our children

PERFORMANCE - meeting & beating our data targets across all key stages

COMMUNITY - At the very heart of the community in as extended way as possible

ENVIRONMENT - An outstanding learning environment for all. Allowing all expert adults to deliver high quality provision to all learners- especially in standards of teaching

BESPOKE CPD - Offering an outstanding bespoke service for all of our staff

FINANCIALLY - Better off due to more effective income generation methods & practices

ICT – Produce a five year plan to replace equipment

Funds held as custodian trustee on behalf of others

The academy has no funds for which it is acting as custodian trustee.

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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.

A resolution proposing that Evolution Business and Tax Advisors LLP 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 07 December 2015 and signed on its behalf by:



L Willis-Keeler

Chair

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Skelton 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 Head teacher, 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 Skelton 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 as described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year of Board of Trustees was as follows:-

Trustees	Meetings attended	Out of possible
L Halbert (Resigned 19 July 2015)	3	3
C Farrel (Vice Chair)	3	3
E McLeod	2	3
S Walker (Accounting Officer)	3	3
L Willis-Keeler (Chair)	3	3
S Dick (Resigned 18 March 2015)	1	1
A Woolf	3	3
A Oswald	3	3
J Swainson	2	3
R Lowery	0	3
D Butcher (Appointed 20 July 2015)	0	0
M Brayshaw (Appointed 20 July 2015)	0	0
K Chisholm (Appointed 20 July 2015)	0	0

The Resource Employment and Finance & Audit Committee is a sub-committee of the main board of trustees. In particular the committee will

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Finance

- To consider the Academy's indicative funding, notified annually by the EFA, and to assess its implications for the academy, in consultation with the Head Teacher in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body.
- To consider and recommend to the governing body acceptance of the academy's budget, at the start of each financial year.
- To contribute to the formulation of the academy's development plan, through the consideration of financial priorities and proposals, in consultation with the Head Teacher with the stated and agreed aims and objectives of the academy.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To liaise with and receive reports from the Curriculum, Achievement and Standards and Children, Families and Community Committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Governing Body.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis and in response to reports from the accounting officer/responsible officer, including the implementation of bank account arrangements and, where appropriate to make recommendations to the governing body for improvement.
- To approve the financial statement for filing in accordance with Companies Act and Charity Commission requirements.
- To be responsible to the Board for ensuring compliance with the Funding Agreement and all relevant financial regulations relating to the Academy is observed.
- To advise on major financial decisions that may affect the Academy's resources and finances and the risks involved in such decisions including value for money.
- To oversee treasury management and associated risk.
- To advise the Governing Body on other methods of income generation.
- Oversee any capital investment programmes and advise the Governing Body as appropriate.

Premises, health and safety

- draw up medium and long term plans relating to the repair, maintenance and development of premises and recommend action to the governing body;
- agree the lettings and charges policy for the use of Academy premises;
- keep the health and safety and emergency procedures and policies under review, ensuring that necessary checks and assessments are carried out and prioritised for action;
- seek professional external advice as and when appropriate, inclusive of support offered through service level agreements, to ensure that the academy complies with all current health and safety requirements.

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Staffing

- agree the staffing establishment and structure (teaching and non-teaching) at least annually in relation to the budget and the Academy development plan;
- keep under review appropriate staffing policies and procedures - to include grievance, discipline, redundancy, capability, sickness absence; performance management, whistle blowing, pay and conditions of employment and ensure staff are consulted and informed appropriately;
- recommend to the governing body the procedure for filling vacancies and making staff appointments below the Leadership Group;
- monitor the impact of equalities and diversity policies on staff recruitment and retention;
- ensure the Academy complies with the latest requirements in relation to safe recruitment and safeguarding procedures;
- consider any issues referred by the head teacher outside any scheme or policy adopted by the governing body.

The day to day running of the School has been delegated to the Head teacher or his deputy in his absence.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
C Farrel (Vice Chair)	3	3
S Walker (Accounting Officer)	3	3
J Swainson	2	3
R Lowery	0	3

Governors have a wide mix of experience including data handling, budgeting and personal management. Governors have a good knowledge of the school and its structure and are aware of the main challenges the school faces in raising achievement to and beyond national levels.

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 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:

Area of value for money	Actions taken	Improvement in outcomes for all (incl quantifiable)
New Initiatives	Review of the testing facilities and resources within the new assessment procedures for Y1-6.	Testing materials purchased for reasonable price. Access to great range of tests per year group. Accurate assessment data available for whole school analysis.
Better purchasing	CPD for Peer Review model bought as a cluster within the Co-operative.	Smaller costs per member. Each school able to afford to take SLT Greater knowledge of Ofsted inspection process.
Targeted improvement	Additional Teacher in Y4 and transition to Y5	Substantial increase in progress for the Y4/Y5 pupils. Gap between targeted children and others is closing. In excess of 6pp for Reading and Writing.
Benchmarking	Pupil Premium: Sutton Trust -booster provided in each yr group -Staff CPD on feedback and marking	All PP groups making good or better progress Staff using feedback to engage pupils in response to marking
Economies of scale	Moderation through NESTA cluster (writing assessment moderation).	Moderated writing from Year 1 – Year 6 Agreement in assessment between 4 schools Reduced costs for external moderation

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's 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 Skelton Primary School for the period 1st September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risk that has been in place for the period 1st September 2014 to 31st August 2015 and up to date approval of the annual report and financial statements. The process will be regularly reviewed by the board of trustees.

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The risk and control framework

The trust's system of internal 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 Resource Employment and Finance Committee of management 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 trustees have appointed Evolution, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the school's financial systems. The auditor provides an Internal Assurance report, through the REF Committee on the operation of the systems of control and on the discharge of the board of trustees' responsibilities.

On a termly basis, Evolution the auditor reports to the board of trustees, through the REF Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Internal Assurance –spring term schedule tested and reviewed:-

- Accounts and reconciliations
- Risk management
- Purchasing
- Income
- Payroll
- Bank accounts
- Corporate Governance

Key Findings

There were no high or medium risks identified during the course of this internal assurance report. There were 4 low risks identified that represent a suggested improvement to procedures that are already working effectively. These are:-

1. A recommendation that all purchase requisitions are authorised prior to the order being paid – Although the orders are authorised on SAGE 200 it was agreed a signature approval would be obtained.
2. Recommendation that all monthly payroll reports are signed by the SBM and HT – The Finance Handbook was updated.
3. Recommendation that the Finance Handbook is updated to reflect current practice for Starters/Leavers- Remits were already in the Handbook but Evolution required more detail on the process.
4. Update Finance Handbook to reflect current practice regarding Expenses – Finance Handbook will be updated to give de minimis limit.

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Internal Assurance –summer term schedule tested and reviewed:-

- Accounts and Reconciliations
- Purchasing
- Income
- Management of Data
- Corporate Governance

Key Findings

There were no high or medium risks identified during the course of this internal assurance report. There were 3 low risks identified that represent a suggested improvement to procedures that are already working effectively. These are:-

1. Ensure all bank reconciliations are correctly reconciled to the balance sheet as part of month end procedures, taking into account future transactions – The fact that future transactions are included is part of the SAGE system and not something that can be controlled they are held as unreconciled items.
2. Ensure monthly debtor listings are correctly reviewed, authorised and reconciled in line with month end procedures – TSG is obtaining advice from Sicon as it appears there is a glitch in the system
3. Recommend that depreciation rates are reviewed in line with Finance handbook – all adjustments for buildings depreciation have been advised by Auditors; the confusion is regarding the age of the building and when depreciation should start

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 external auditor
- the work of the executive managers who have the 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 REF and Audit Committee and ensures continuous improvement of the system is in place.

Approved by order of the board of trustees on 07 December 2015 and signed on its behalf by:



S Walker
Accounting Officer



L Willis-Keeler
Chair

SKELTON PRIMARY SCHOOL

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

As Accounting Officer of Skelton 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 trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Schools 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 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 the EFA.

Approved on 07 December 2015 and signed by:



S Walker
Accounting Officer

SKELTON PRIMARY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

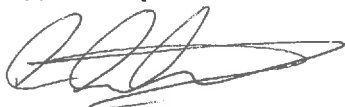
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2005
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 07 December 2015 and signed on its behalf by:



L Willis-Keeler
Chair

SKELTON PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SKELTON PRIMARY SCHOOL

We have audited the accounts of Skelton Primary School for the year ended 31 August 2015 set out on pages 25 to 44. 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 20, the trustees, who are also the directors of Skelton Primary School 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.

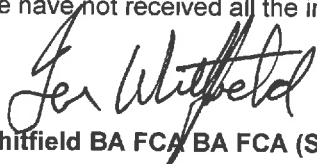
SKELTON PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SKELTON 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 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.



Ian Whitfield BA FCA BA FCA (Senior Statutory Auditor)
Evolution Business and Tax Advisors LLP

Chartered Accountants

Statutory Auditor

Wynyard Park House

Wynyard Avenue

Wynyard

TS22 5TB

Dated: 7 December 2015

SKELTON PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SKELTON PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Skelton Primary School 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 Skelton Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Skelton Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Skelton Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Skelton Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Skelton Primary School's funding agreement with the Secretary of State for Education dated 1 November 2013 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:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of termly Internal Assurance reports
- review of governing body and committee minutes
- review of finance and other relevant policies
- review of purchases and expenses on a sample basis
- review of credit and debit card transactions
- review of leases and other agreements

SKELTON PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SKELTON 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 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.



Reporting Accountant

Evolution Business and Tax Advisors LLP

Dated: 07 December 2015

SKELTON PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
<u>Incoming resources</u>						
<i>Resources from generated funds</i>						
- Voluntary income	2	6,269	142,367	-	148,636	6,655
- Inherited on conversion		-	-	-	-	2,952,255
- Activities for generating funds	3	98,379	-	-	98,379	89,023
- Investment income	4	582	-	-	582	286
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	14,427	2,409,979	10,428	2,434,834	1,790,571
Total incoming resources		119,657	2,552,346	10,428	2,682,431	4,838,790
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Fundraising trading	6	96,559	-	-	96,559	93,233
<i>Charitable activities</i>						
- Educational operations	7	14,427	2,310,009	83,447	2,407,883	1,813,532
Governance costs	8	-	60,148	-	60,148	37,044
Total resources expended	6	110,986	2,370,157	83,447	2,564,590	1,943,809
Net incoming/(outgoing) resources before transfers		8,671	182,189	(73,019)	117,841	2,894,981
Gross transfers between funds		-	(156)	156	-	-
Net income/(expenditure) for the year		8,671	182,033	(72,863)	117,841	2,894,981
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	5,000	-	5,000	(152,000)
Net movement in funds		8,671	187,033	(72,863)	122,841	2,742,981
Fund balances at 1 September 2014		231,708	(389,531)	2,900,804	2,742,981	-
Fund balances at 31 August 2015		240,379	(202,498)	2,827,941	2,865,822	2,742,981

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.

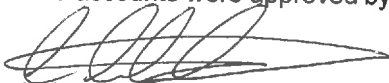
SKELTON PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	11		2,817,513		2,890,824
Current assets					
Debtors	12	136,290		104,801	
Cash at bank and in hand		622,339		438,295	
			758,629		543,096
Current liabilities					
Creditors: amounts falling due within one year	13	(179,320)		(175,939)	
Net current assets			579,309		367,157
Net assets excluding pension liability			3,396,822		3,257,981
Defined benefit pension liability	17		(531,000)		(515,000)
Net assets			2,865,822		2,742,981
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			2,827,941		2,900,804
- General funds			328,502		125,469
- Pension reserve			(531,000)		(515,000)
Total restricted funds			2,625,443		2,511,273
Unrestricted income funds	15		240,379		231,708
Total funds			2,865,822		2,742,981

The accounts were approved by order of the board of trustees and authorised for issue on 07 December 2015.


L Willis-Keeler
Chair

Company Number 08693259

SKELTON PRIMARY SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	18	183,169	89,629
Cash funds transferred on conversion		-	357,255
Returns on investments and servicing of finance			
Investment income		582	286
Net cash inflow/(outflow) from returns on investments and servicing of finance		582	286
		183,751	447,170
Capital expenditure and financial investments			
Capital grants received		10,428	9,979
Payments to acquire tangible fixed assets		(10,135)	(18,854)
Net cash flow from capital activities		293	(8,875)
Increase/(decrease) in cash	19	184,044	438,295

SKELTON PRIMARY SCHOOL

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 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Skelton Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 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.

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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.

1.5 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.

1.6 Tangible fixed assets and depreciation

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

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

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

Buildings	50 years straight line
Fixtures, fittings and equipment	5 years straight line

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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.

1.7 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.

1.8 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.

1.9 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 17, 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.

SKELTON PRIMARY SCHOOL

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

1 Accounting policies

(Continued)

1.10 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education or other 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 Education Funding Agency/Department for Education.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Base and Troops to School	-	142,367	142,367	-
Other donations	6,269	-	6,269	6,655
	<u>6,269</u>	<u>142,367</u>	<u>148,636</u>	<u>6,655</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Cost recharges	-	-	-	14,774
Catering income	45,448	-	45,448	54,038
Income received from pupils	6,823	-	6,823	705
Educational visits	21,723	-	21,723	14,929
Other income	24,385	-	24,385	4,577
	<u>98,379</u>	<u>-</u>	<u>98,379</u>	<u>89,023</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	582	-	582	286
	<u>582</u>	<u>-</u>	<u>582</u>	<u>286</u>

SKELTON PRIMARY SCHOOL

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 £
DfE / EFA grants				
General annual grant (GAG)	-	1,852,369	1,852,369	1,513,453
Start up grants	-	-	-	25,000
Capital grants	-	10,428	10,428	9,979
Other DfE / EFA grants	-	311,525	311,525	138,872
		<u>2,174,322</u>	<u>2,174,322</u>	<u>1,687,304</u>
Other government grants				
Local authority grants	-	246,085	246,085	96,825
		<u>246,085</u>	<u>246,085</u>	<u>96,825</u>
Other funds				
Other incoming resources	14,427	-	14,427	6,442
	<u>14,427</u>	<u>-</u>	<u>14,427</u>	<u>6,442</u>
Total funding	<u>14,427</u>	<u>2,420,407</u>	<u>2,434,834</u>	<u>1,790,571</u>

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	1,656,920	-	101,800	1,758,720	1,359,440
- Allocated support costs	279,721	109,111	260,331	649,163	454,092
	<u>1,936,641</u>	<u>109,111</u>	<u>362,131</u>	<u>2,407,883</u>	<u>1,813,532</u>
Other expenditure					
Costs of activities for generating funds	19,356	-	77,203	96,559	93,233
Governance costs	-	-	60,148	60,148	37,044
	<u>19,356</u>	<u>-</u>	<u>137,351</u>	<u>156,707</u>	<u>130,277</u>
Total expenditure	<u>1,955,997</u>	<u>109,111</u>	<u>499,482</u>	<u>2,564,590</u>	<u>1,943,809</u>

Net income/(expenditure) for the year includes:

	2015 £	2014 £
Fees payable to auditor		
- Audit	6,000	6,000
- Other services	4,283	11,124
	<u>10,283</u>	<u>17,124</u>

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	14,427	1,640,945	1,655,372	1,263,429
Technology costs	-	12,156	12,156	14,694
Educational supplies and services	-	58,365	58,365	15,219
Staff development	-	1,548	1,548	3,559
Educational consultancy	-	19,985	19,985	24,106
Other direct costs	-	11,294	11,294	38,433
	<u>14,427</u>	<u>1,744,293</u>	<u>1,758,720</u>	<u>1,359,440</u>
Allocated support costs				
Support staff costs	-	279,721	279,721	218,891
Depreciation	-	83,447	83,447	73,029
Technology costs	-	17,751	17,751	18,138
Maintenance of premises and equipment	-	25,664	25,664	25,375
Cleaning	-	3,736	3,736	3,103
Energy costs	-	28,294	28,294	21,362
Rent and rates	-	19,433	19,433	13,096
Insurance	-	44,872	44,872	18,976
Security and transport	-	-	-	130
Catering	-	103,296	103,296	42,860
Interest and finance costs	-	(7,000)	(7,000)	2,000
Other support costs	-	49,949	49,949	17,132
	<u>-</u>	<u>649,163</u>	<u>649,163</u>	<u>454,092</u>
Total costs	<u>14,427</u>	<u>2,393,456</u>	<u>2,407,883</u>	<u>1,813,532</u>
8 Governance costs				
	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	46,118	46,118	18,915
Auditor's remuneration				
- Audit of financial statements	-	6,000	6,000	6,000
- Other audit costs	-	4,283	4,283	11,124
Other governance costs	-	3,747	3,747	1,005
	<u>-</u>	<u>60,148</u>	<u>60,148</u>	<u>37,044</u>

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015 £	2014 £
Wages and salaries	1,539,685	1,207,143
Social security costs	99,488	76,733
Other pension costs	236,261	178,624
	<u>1,875,434</u>	<u>1,462,500</u>
Supply teacher costs	79,015	34,979
Staff development and other staff costs	1,548	3,559
	<u>1,955,997</u>	<u>1,501,038</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	53	50
Administration and support	3	3
Management	6	5
	<u>62</u>	<u>58</u>

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

	2015 Number	2014 Number
£60,001 - £70,000	-	1
	<u>1</u>	<u>-</u>

The above employee participated in the Teachers Pension Scheme.

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, no expenses were paid to trustees.

The value of trustees' remuneration was as follows:

S Walker (Headteacher)

Remuneration £75,001 - £80,000 (2014: £60,001 - £65,000)

Employer's pension contributions £10,001 - £15,000 (2014: £5,001 - £10,000)

A Oswald (Deputy Headteacher)

Remuneration £50,001 - £55,000 (2014: £40,001 - £45,000)

Employer's pension contributions £5,001 - £10,000 (2014: £5,001 - £10,000)

A Woolf (Teacher)

Remuneration £40,001 - £45,000 (2014: £30,001 - £35,000)

Employer's pension contributions £5,001 - £10,000 (2014: £1 - £5,000)

The comparative figures relate to a ten month period.

Other related party transactions involving the trustees are set out within the related parties note.

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,191 (2014: £1,090).

11 Tangible fixed assets

	Buildings	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 September 2014	2,800,000	163,854	2,963,854
Additions	-	10,135	10,135
At 31 August 2015	2,800,000	173,989	2,973,989
Depreciation			
At 1 September 2014	46,667	26,363	73,030
Charge for the year	48,776	34,670	83,446
At 31 August 2015	95,443	61,033	156,476
Net book value			
At 31 August 2015	2,704,557	112,956	2,817,513
At 31 August 2014	2,753,333	137,491	2,890,824

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

(Continued)

Land and buildings were valued on the basis of depreciated replacement cost as at 31 March 2014 by Mouchel on behalf of the EFA. This value was capitalised at the date of conversion.

12 Debtors

2015
£

2014
£

VAT recoverable	27,511	18,264
Prepayments and accrued income	108,779	86,537
	<u>136,290</u>	<u>104,801</u>

13 Creditors: amounts falling due within one year

2015
£

2014
£

Trade creditors	85,658	79,770
Taxes and social security costs	38,057	27,411
Other creditors	115	8,374
Accruals	12,461	22,460
Deferred income	43,029	37,924
	<u>179,320</u>	<u>175,939</u>

14 Deferred income

2015
£

2014
£

Deferred income is included within:		
Creditors due within one year	43,029	37,924
	<u>43,029</u>	<u>37,924</u>
Total deferred income at 1 September 2014	37,924	-
Amounts credited to the statement of financial activities	(37,924)	-
Amounts deferred in the year	43,029	37,924
	<u>43,029</u>	<u>37,924</u>
Total deferred income at 31 August 2015	43,029	37,924

Deferred income includes Universal Infants Free School Meals funding for the 2015/16 academic year received in advance.

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	125,469	1,852,369	(1,649,180)	(156)	328,502
Other DfE / EFA grants	-	311,525	(311,525)	-	-
Other government grants	-	246,085	(246,085)	-	-
Other restricted funds	-	142,367	(142,367)	-	-
	<u>125,469</u>	<u>2,552,346</u>	<u>(2,349,157)</u>	<u>(156)</u>	<u>328,502</u>
Funds excluding pensions	125,469	2,552,346	(2,349,157)	(156)	328,502
Pension reserve	(515,000)	-	(21,000)	5,000	(531,000)
	<u>(389,531)</u>	<u>2,552,346</u>	<u>(2,370,157)</u>	<u>4,844</u>	<u>(202,498)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	9,979	10,428	-	(9,979)	10,428
Inherited fixed asset fund	2,874,167	-	(77,776)	-	2,796,391
Capital expenditure from GAG or other funds	16,658	-	(5,671)	10,135	21,122
	<u>2,900,804</u>	<u>10,428</u>	<u>(83,447)</u>	<u>156</u>	<u>2,827,941</u>
Total restricted funds	<u>2,511,273</u>	<u>2,562,774</u>	<u>(2,453,604)</u>	<u>5,000</u>	<u>2,625,443</u>
Unrestricted funds					
General funds	231,708	119,657	(110,986)	-	240,379
	<u>231,708</u>	<u>119,657</u>	<u>(110,986)</u>	<u>-</u>	<u>240,379</u>
Total funds	<u>2,742,981</u>	<u>2,682,431</u>	<u>(2,564,590)</u>	<u>5,000</u>	<u>2,865,822</u>

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. 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.

Other DfE/EFA grants includes universal infant free school meals funding, sports development funding and pupil premium.

Other government grants include funding for pupils with special educational needs and early years funding and other grants from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/EFA capital grants represent Devolved Formula Capital receivable during the period which has been carried forward for use in future periods.

The Inherited Fixed Asset Fund reflects the assets acquired on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose, at the discretion of the trustees, within the objectives of the academy trust.

The academy's restricted general and unrestricted funds were £568,881 at 31 August 2015.

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	2,817,513	2,817,513
Current assets	240,379	507,822	10,428	758,629
Creditors falling due within one year	-	(179,320)	-	(179,320)
Defined benefit pension liability	-	(531,000)	-	(531,000)
	<u>240,379</u>	<u>(202,498)</u>	<u>2,827,941</u>	<u>2,865,822</u>

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 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 Middlesbrough Borough Council. Both are multi-employer defined benefit schemes.

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

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 £138,517 (2014: £105,152).

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

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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 total contributions are as noted below. The agreed contribution rates for future years are 14.6 per cent for employers and 5.5 to 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £74,000 (2014: £72,000).

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.

Contributions made	2015 £	2014 £
Employer's contributions	71,000	63,000
Employees' contributions	29,000	24,000
Total contributions	<u>100,000</u>	<u>87,000</u>

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment	2.0	2.1
Discount rate for scheme liabilities	3.8	3.7
Inflation assumption (CPI)	<u>2.0</u>	<u>2.1</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	23.0	22.9
- Females	25.5	25.4
Retiring in 20 years		
- Males	25.2	25.1
- Females	<u>27.8</u>	<u>27.7</u>

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 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		729,178	7.5	655,979
Government bonds		15,062	2.9	15,181
Corporate bonds		14,176	3.3	35,156
Cash		56,704	1.1	31,161
Property		54,932	6.8	43,146
Other assets		15,948	7.5	18,377
		<u>886,000</u>		<u>799,000</u>
Total market value of assets		886,000		799,000
Present value of scheme liabilities - funded		(1,417,000)		(1,314,000)
		<u>(531,000)</u>		<u>(515,000)</u>
Net pension asset / (liability)		(531,000)		(515,000)

The adoption of FRS 102 in the next accounting period removes the requirement to recognise an expected return on assets item in the profit and loss charge. This item will be replaced with a net financing charge which is based on the discount rate assumption. As the expected return on assets is based on the assumption at the start of the accounting period, assumptions for the expected return on assets are not required at 31 August 2015.

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	99,000	74,000
Past service cost	-	-
	<u>99,000</u>	<u>74,000</u>
Finance costs/(income)		
Expected return on pension scheme assets	(57,000)	(37,000)
Interest on pension liabilities	50,000	39,000
	<u>(7,000)</u>	<u>2,000</u>
Total charge/(income)	<u>92,000</u>	<u>76,000</u>

SKELTON PRIMARY SCHOOL

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

17	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	69,000	(3,000)
	Experience (gains)/losses on liabilities	(74,000)	155,000
	(Gains)/losses arising from changes in assumptions	-	-
	Total (gains)/losses	(5,000)	152,000
	Cumulative (gains)/losses to date	147,000	152,000
	Movements in the present value of defined benefit obligations	2015	2014
		£	£
	Obligations at 1 September 2014	(1,314,000)	-
	Obligations acquired on conversion	-	(1,023,000)
	Current service cost	(99,000)	(74,000)
	Interest cost	(50,000)	(39,000)
	Contributions by employees	(29,000)	(24,000)
	Actuarial gains/(losses)	74,000	(155,000)
	Benefits paid	1,000	1,000
	At 31 August 2015	(1,417,000)	(1,314,000)
	Movements in the fair value of scheme assets	2015	2014
		£	£
	Assets at 1 September 2014	799,000	-
	Assets acquired on conversion	-	673,000
	Expected return on assets	57,000	37,000
	Actuarial gains/(losses)	(69,000)	3,000
	Contributions by employers	71,000	63,000
	Contributions by employees	29,000	24,000
	Benefits paid	(1,000)	(1,000)
	At 31 August 2015	886,000	799,000

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations		(Continued)			
History of experience gains and losses					
	2015	2014			
	£	£			
Present value of defined benefit obligations	(1,417,000)	(1,314,000)			
Fair value of share of scheme assets	886,000	799,000			
Surplus / (deficit)	<u>(531,000)</u>	<u>(515,000)</u>			
Experience adjustment on scheme assets	(69,000)	3,000			
Experience adjustment on scheme liabilities	<u>74,000</u>	<u>(155,000)</u>			
18 Reconciliation of net income to net cash inflow/(outflow) from operating activities		2015	2014		
		£	£		
Net income		117,841	2,894,981		
Capital grants and similar income		(10,428)	(9,979)		
Net deficit/(surplus) transferred on conversion		-	(2,952,255)		
Investment income		(582)	(286)		
Defined benefit pension costs less contributions payable		28,000	11,000		
Defined benefit pension finance costs/(income)		(7,000)	2,000		
Depreciation of tangible fixed assets		83,447	73,029		
(Increase)/decrease in debtors		(31,489)	(104,801)		
Increase/(decrease) in creditors		3,380	175,940		
Net cash inflow/(outflow) from operating activities		<u>183,169</u>	<u>89,629</u>		
19 Reconciliation of net cash flow to movement in net funds		2015	2014		
		£	£		
Increase/(decrease) in cash		184,044	438,295		
Net funds at 1 September 2014		438,295	-		
Net funds at 31 August 2015		<u>622,339</u>	<u>438,295</u>		
20 Analysis of net funds		At 1 September 2014	Cash flows	Non-cash changes	At 31 August 2015
	£	£	£	£	£
Cash at bank and in hand	<u>438,295</u>	<u>184,044</u>	-	<u>622,339</u>	

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

21 Commitments under operating leases

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

	2015 £	2014 £
Expiry date:		
- Within one year	1,591	-
- Between two and five years	480	-
	<u>2,071</u>	<u>-</u>

22 Capital commitments

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

	2015 £	2014 £
Expenditure contracted for but not provided in the accounts	46,936	-
	<u>46,936</u>	<u>-</u>

23 Related parties

Owing to the nature of the academy trust'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 the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place during the year.

24 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.