

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

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

ST CLEMENT'S C OF E PRIMARY ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Governors

Mr M Kiani, Parent Governor (resigned 31 May 2014)
Mrs J Miller, Community Governor (removed 5 November 2013)
Mr J Yates, Governor (resigned 2 December 2013)¹
Mr G Moss, Chair of Governors (effective 1 September 2014), Chair of Premises, Health and Safety Committee (appointed 2 August 2014)¹
Mrs V Harris, Governor
Ms A Simmons, Parent Governor (resigned 8 July 2014)
Mr T Cresswell, Governor (resigned 8 July 2014)
Mrs S Simmons, Head Teacher¹
Mrs B Richmond, Chair of Curriculum Committee (deceased 1 August 2014)
Mr J Line, Chair of Governors (Up to 31 August 2014)¹
Mr R Hornsby, Governor (resigned 13 November 2013)
Miss D Gooden, Governor (appointed 5 November 2013)
Mr S Fairbanks, Governor (appointed 9 July 2014)

¹ Finance/Audit Committee

Members

Mr G Moss
The Diocese of Birmingham Educational Trust
Birmingham Diocesan Board of Finance
The Archdeacon of Birmingham

Company registered number

08165736

Principal and registered office

Butlin Street
Nechells
Birmingham
B7 5NS

Company secretary

Academy Company Secretary Ltd

Senior management team

Mrs S Simmons, Head Teacher
Mr D Ricketts, Deputy Head Teacher
Mrs V Harris, Business Manager

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
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Administrative details (continued)

Independent auditor

Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds Bank Plc
22a Great Hampton Street
Birmingham
West Midlands
B18 6AH

Solicitors

Lee Bolton Monier Williams
1 The Sanctuary
London
SW1P 3JT

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of St Clement's C of E Primary Academy, Nechells (the academy) for the year ended 31 August 2014. The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

St Clement's C of E Primary Academy, Nechells is a Church of England Academy which provides education for pupils of different abilities between the ages of 3 and 11. Our pupils are drawn from families living within the local area in accordance with our published admission criteria. It has a pupil capacity of 240 (including 32 part time Nursery places) and had a roll of 211 in the school census on 2nd October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

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

The governors are the directors of the Charitable Company for the purposes of company law. Members delegate responsibility to the Governor's for the charitable activities of St. Clement's C of E Primary Academy, Nechells.

Details of the governors 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.

GOVERNORS' INDEMNITIES

The Academy Trust purchases indemnity insurance to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The Academy Trust's governing documents require that the Trust shall have the following governors:

- a) The Head Teacher
- b) 6 Diocesan governors - 5 appointed by the Diocesan Board of Education
- c) 2 staff governors
- d) Up to 2 parent governors
- e) Up to 1 community governor

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GOVERNORS' REPORT (continued)
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The Head Teacher is an ex-officio governor.

Owing to the number of governors at present, the Governing Body subscribes to a number of agencies in an effort to recruit more governors with the necessary skills.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The academy purchases support as required from the Birmingham School and Governor Support at Birmingham Local Authority. Support is also offered from Birmingham Diocesan Board of Education which provides regular courses and training for governors. This all enhances and supports the in-house induction and training programme. Courses and training are also offered by Birmingham Local Authority and other training providers and the Clerk informs each governor about these.

Governors are kept up to date with their legislative obligations and best practice through the above support services and by the Clerk to the Governing Body

ORGANISATIONAL STRUCTURE

The Governing Body is responsible for all major decisions about the Academy. The Governing Body is responsible for setting all policies covering Staffing and Pay; Premises Health & Safety; Curriculum and Financial aspects of the work of the Academy and monitors this.

The full Governing Body meets at least once a term. The work of the Governing Body is delegated to sub committees that are formerly constituted with terms of reference, namely:

- Staffing and Pay Committee
- Finance and Audit Committee
- Curriculum Committee
- Premises, Health and Safety Committee
- Disciplinary and Appeals Committee (constituted as required)

The sub committees, with the exception of the Disciplinary and Appeals Committee, meet at least termly and the Chairs of these committees report back to the full Governing Body meetings.

The day to day management of the academy is delegated by the Governing Body to the Head Teacher who is supported by the Senior Leadership Team which comprises: Head Teacher, Deputy Head Teacher, Assistant Deputy Head Teacher (2), Pastoral Manager and the Business Manager. The Head Teacher is the Accounting Officer.

The Governing Body receives regular reports from the Senior Leadership Team, including budget allocation and expenditure and other data updates including teaching and learning and achievement and standards. The levels of authorisation of budget spend are detailed in the 'Principle Delegation Statement' reviewed annually by the Governing Body.

The initial School Improvement Plan is drawn up by the Head Teacher working with the Senior Leadership Team. The draft plan is reviewed and approved by the full Governing Body. The Curriculum Committee reviews the progress of the plan as part of their regular work. The Premises, Health and Safety Committee reviews the environmental and building part of the School Development Plan.

As a primary academy, a high percentage of the academy's expenditure relates to staffing. The Staffing Structure is determined by the Governing Body working with the Head Teacher.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

The School Improvement Plan and the staffing structure then informs the Academy budget.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

There are no related parties which either control or significantly influence the decisions and operations of St Clement's C of E Primary Academy, Nechells apart from the Diocesan Board of Education which acts as sponsor.

The Academy works with many school networks both within the Birmingham Local Authority (school-to-school networks, Aston-Nechells Consortium) and Birmingham Diocese to further the principal activities of the Academy. The Academy is part of a Community Interest Company – Nechells POD – which provides support for local families and children.

We also have a number of informal relationships with outstanding schools in the Diocese to support our work in improving the quality of learning and teaching.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The principal object and activity of the charitable company is the operation of St Clement's C of E Primary Academy, Nechells to provide education and care for pupils of different abilities between the ages of 3 and 11.

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, that the school:

- has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum) including English, Mathematics and Science;
- shall make Provision for the teaching of religious education and provide a daily act of collective worship;
- provides education for pupils of different abilities;
- provides education for pupils who live within the area of the school.

Beliefs and Values

Our mission statement stems from the Christian outlook on life and gives a distinct philosophical basis for education within the school.

As we listen, learn and grow we do so through the teachings of God.

The ethos of the school is very positive and permeates all aspects of school life. It is based on Christian Values, self respect and a respect for others, family and community. The Governing Body and staff believe that St Clement's C of E Primary Academy, Nechells plays an essential role in providing a good education to the children in the area it serves by living in harmony before God.

We help pupils to understand that the value and the dignity of our lives stems from the fact that we are created by God and in so doing learn humility by becoming self-confident without being arrogant.

Society is changing fast and we are influenced by other sources, such as television, friends and relations, the church, the Mosque or the temple. A church school, like any other, has to improve its results and raise standards, but by educating the whole child for adult life, developing the social, moral, cultural and spiritual

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dimensions of pupils, the Academy seeks to equip its pupils to make the right choices in life, to find time to be still and reflect—an important part of Christian spirituality.

By developing a greater understanding of Christianity and other faiths within the community, we seek to develop the personality and the potential of each child.

The Aims of the Academy

The governors and staff work in partnership with the parents and representatives of the community of St Clement's C of E Primary Academy, Nechells in order to provide a positive, stimulating and secure learning environment; where the ability of all to contribute is recognised and their individual achievements celebrated. We believe that every child and adult is entitled to a school day that begins with a sense of purpose and positive anticipation; is challenging, productive and free from intimidation; and concludes with a sense of achievement and desire to return tomorrow.

We aim to achieve this by:-

- Providing a rich and stimulating curriculum derived from the needs and interest of the children.
- Being a place where every child is offered an exciting and stimulating learning environment which will open doors on new worlds and encourage them in the enjoyment of learning.
- Providing an environment which will enable each child to develop his or her full potential, physically, intellectually, spiritually and creatively.
- Maintaining an atmosphere in which all children can be happy, feel secure and relate positively to one another and the adults working in school.
- Encouraging everyone to have high aspirations and expectations and to strive always to improve on their previous best.
- Ensuring equal opportunities for all and give full recognition to the diverse cultures which enrich our school, by developing an ethos of respect and rejoicing in each other's differences so that everyone knows they are valued.
- Developing in each child:
 - a) A growing awareness of the spiritual dimension of life by nourishing a sense of awe and wonder.
 - b) Initiative, self-discipline and the ability to work co-operatively.
 - c) A sense of responsibility for themselves, their work and their environment.
 - d) Self-esteem and pride in their community.
 - e) The ability to communicate effectively with others.
 - f) Skills to enable them to work independently and begin the habit of lifelong learning.
- Preparing our children to be confident, caring, capable and adaptable future citizens of our multi-cultural, fast changing society.
- Encouraging positive relationships between school, the home and the community.
- Raising the awareness of parents and carers of the children of the importance of their role in the education process.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Academy's Self Evaluation identified specific School Development focuses for this year including the following:

- Introduction of initiatives to ensure identified groups make accelerated progress
- Create increased opportunities for identified able pupils in Numeracy to make accelerated progress
- To make the school a safer place for all members of the school community
- To develop new curriculum requirements alongside cementing our ethos as a Church school.
- To ensure that governors are effective in their roles

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GOVERNORS' REPORT (continued)
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PUBLIC BENEFIT

The Academy is mindful of the guidance on Public Benefit issues by the Charity Commission, and the requirements to comply with current legalisation. The Academy will continue to provide education to children that:

- Is balanced and broadly based;
- Provides the spiritual, moral, cultural, mental and physical development of students at the Academy;
- Prepares students for the opportunities, responsibilities and experiences of later life;
- Promotes, sustains and increase individual and collective knowledge and understanding of study, skills and expertise

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

KEY PERFORMANCE INDICATORS

Early Years Foundation Stage

In 2014 67% of children at St. Clement's achieved a good level of development with an average profile score for the school of 33.4. A good level of development is judged to be when a pupil is working at expected levels in all strands of the 3 Prime areas (Communication and Language (CL), Personal Social and Emotional development (PSED) and Physical Development (PD) plus Literacy and Maths.

Early Learning Goals	All	National 2013
Overall good level of development	67%	52%
Communication and Language (3)	74%	72%
PSED (3)	85%	76%
Physical development (2)	89%	83%
Literacy (reading and writing)	67%	61%
Maths (number and shape, space and measure)	74%	66%

Year 1 phonics test

We were very pleased with the improved results in the test in 2013 and although the results in 2014 are not as high as in 2013, mainly due to 5 children with very little English joining the class at Christmas, the results are still in line with national outcomes for 2014. We continue to work hard at ensuring all children get access to high quality phonics teaching through Letters and Sounds so that they make good progress in their reading throughout Key Stage 1 and 2.

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	WHOLE CLASS (29)	PASS RATE BOYS (16)	PASS RATE GIRLS (13)
SCHOOL	69%	63%	77%
NATIONAL 2014	74%	70%	78%
DIFF TO NATIONAL 2014	-5%	-7%	+1%

In 2014, the 3 children who failed to achieve the pass mark of 32 whilst in Year 1(or who were not in year 1 when the test was taken), took the 2014 test. All pupils who took the test achieved the pass mark ; the one pupil who was at St Clement's last year scored 38 marks and the two pupils new to St Clement's scored 38 marks and 40 marks respectively.

YEAR 2 RETAKES	PASS RATE (3)	BOYS (0)	GIRLS (3)	FSM (2)	EAL (2)	SEN(0)
SCHOOL	100%	0%	100%	100%	100%	0%
NATIONAL 2014	66%	66%	70%	60%	68%	50%
DIFF TO NATIONAL	+34%	n/a	+30%	+40%	+32%	n/a

Key Stage 1

At the end of Key Stage 1, 2014 outcomes in reading, writing and mathematics were above national at L2+, L2B+, L2A+ and L3 in 2013. All pupils achieved L2+ in reading, writing and mathematics which is an outstanding outcome.

Each level achieved is awarded points and an average is taken for groups in the school. The Average Points Score (APS) for All Subjects was significantly higher than national. Outcomes were well above national in mathematics at all levels.

At the end of Key Stage 1 the expected level that pupils should achieve is Level 2. The figures below give the proportions of pupils achieving each level. The figures in red are the national results for Key Stage 1 in 2013 (2014 not yet available). Pupils working at Level 1 or below are working below, or well below, age-related expectations. Pupils working at level 3 are working above age-related expectations.

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Academy vs National outcomes (National outcomes in red)

Key Stage 1 27 pupils	Below Level 1	Level 1	Level 2c	Level 2b	Level 2a	Level 3
Reading	0% 2%	0% 9%	7% 10%	19% 24%	33% 26%	41% 29%
			Level 2+ 100% 89%			
Writing	0% 3%	0% 12%	19% 18%	26% 30%	29% 22%	37% 15%
			Level 2+ 100% 85%			
Mathematics	0% 2%	0% 7%	15% 13%	15% 27%	33% 28%	37% 23%
			Level 2+ 100% 91%			

The results in Key Stage 1 improved again in 2014 and are the best results that the Academy (and St Clement's Primary School before that) has ever achieved. This year results were above national at L2+, including the higher level 2A, and significantly above at Level 3. We are extremely proud of this achievement and proud of the pupils; particularly as many children came into the Early Years Foundation Stage well below age related expectations and therefore needed to make progress in line with the top 25% of schools to achieve National Expectations by the end of Key Stage 1.

Key Stage 2

At the end of Key Stage 2 the expected level that pupils should achieve is Level 4. The figures below give the proportions of pupils achieving each level. The figures in red are the national results for Key Stage 2 in 2013 (2014 not yet available). Pupils working at Level 3 or below are working below, or well below, age-related expectations. Pupils working at level 5 are working above age-related expectations and pupils achieving level 6 are working well above age-related expectations.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Academy vs National outcomes (National outcomes 2014 in red)

Key Stage 2 (16 pupils)	Below Level 3	Level 3	Level 4+	Level 5+	Level 6
Reading (test)	6% 5%	0% 6%	94% 89%	44% 49%	0% 0%
Writing (teacher assessment)	6% 4%	6% 11%	87% 85%	44% 33%	6% 2%
Spelling, punctuation and Grammar (test)	6% 6%	19% 18%	81% 76%	50% 52%	6% 4%
Mathematics (test)	6% 4%	13% 10%	81% 86%	31% 42%	19% 9%
Combined reading, writing and mathematics	At Level 4+ 75% 79%		At level 5+ 25% 24%		At level 6 0% 0%

For the third year running, Key Stage 2 outcomes have improved and for the first time in 2014 the Academy's results are broadly in line with national outcomes. We have narrowed the gap between the Academy's results and national results in all subjects at L4+, Level 5 and combined reading, writing and mathematics. For the first time ever the Academy achieved Level 6 in some areas; writing (1 pupil); Spelling, punctuation and grammar (1 pupil) and mathematics (3 pupils).

In terms of progress from Key Stage 1 to Key Stage 2, for the second year running this year's results are broadly in line or better than National outcomes for both 2 levels progress and more than 2 levels progress. The only area of concern is the 2 levels progress for mathematics where three pupils only made one level progress from Key Stage 1 to 2: one from level 3 to 4a; one from level 2c to 3a and one from level 1 to 2. Only one of these pupils had been at St Clement's since key stage 1 and one is on the special needs register at school action plus.

	Reading	Writing	Mathematics
Expected progress (2 levels from KS1)	100% 91%	100% 93%	80% 89%
More than expected progress (more than 2 levels progress)	33% 35%	60% 33%	40% 35%

The school's Progress Measured for Value added has improved from the 100th percentile in 2011 to the 24th percentile in 2014 therefore the Academy achieved it's aspiration to perform amongst the top 25% of schools in the country. In writing the Academy's value added put us in the top 15% of schools nationally.

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GOVERNORS' REPORT (continued)
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GOING CONCERN

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

REVIEW OF ACTIVITIES

The main sources of income for the Academy are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the period ended 31 August 2014, total expenditure of £1,376,993 was covered by recurrent grant funding from the DfE together with other incoming resources. The deficit of income over expenditure for the year (excluding restricted fixed asset funds) was £96,801. These figures exclude the deficit on the Local Government Pension Scheme (see note 23 to the accounts)

At 31 August 2014 the net book value of fixed assets was £2,225,905 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

FINANCIAL REVIEW

RESERVES POLICY

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy is holding reserves at 31 August 2014 of £2,053,531.

This comprises:

Restricted Funds Deficit of £224,691

Unrestricted Funds of £52,317

Restricted Fixed Asset Funds of £2,225,905

Restricted Funds comprises:

£28,691 deficit of general funds to support the academy's budget in 2014-15

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GOVERNORS' REPORT (continued)
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£196,000 is the deficit on the defined benefit pension scheme.

The Finance Committee has reviewed these reserves and believes they are adequate to provide sufficient working capital for the Academy to continue to operate within its financial resources, and to cover unexpected urgent work.

INVESTMENT POLICY

The Governing Body is responsible for setting any investment policy. The day to day responsibility for managing this function is delegated to the Business Manager. In the current economic climate of reducing income, with low interest rates, and in view of the capital projects undertaken by the Academy, funds have been held in the Academy current account.

PRINCIPAL RISKS AND UNCERTAINTIES

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the site and facilities, of teaching and the finances. The governors have implemented a system to assess risks that the school faces, especially in the operational areas which includes teaching, health and safety and in relation to the control of finance. The governors have introduced systems, including operational procedures and internal financial controls, in order to minimise risk.

The principal financial risks facing the Academy are:

- Funding is dependent upon pupil numbers. Pupil numbers are currently healthy, but governors are aware that, in the long term, it may face falling rolls due to low local birth rate or be affected by the reputation of the school. Governors do not currently consider these to be a high risk. There are no plans for the school to expand as the site is at full capacity.
- There is a large number of pupils eligible for free school meals which is how the pupil premium figure is assessed. However, since the introduction of Universal Infant Free School Meals, there is a risk that many of our parents whose children are in KS1 will not register for free school meals. The staff and governors have worked hard in the lead up to the introduction of this initiative to try to ensure that all parents who fall into the FSM eligibility criteria have registered in order to try to reduce any detrimental impact on our pupil premium income.

The Academy's future funding is also dependent upon Government Policy for Education. The impact on St. Clement's C. of E. Academy, Nechells of any review of Schools' Funding, will be assessed accordingly.

The Local Government Pension Scheme, a defined benefit scheme, is currently in deficit. The on-going contributions required, determined following a recent actuarial valuation, are considered to be manageable and within the academy's budget.

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FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy's financial objectives are to manage its affairs to support the achievement of the overall strategic objectives as set out in the Academy Improvement and Development Plans. This covers both short terms and long term planning, and involves managing revenues, costs, assets, liabilities, opportunities and risk to ensure the Academy remains in a good financial position to deliver its planned activities

PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

Governors recognise the impact of the learning environment on the levels of pupil achievement and continue to develop and improve the teaching, learning and whole school environment in a continually evolving education system. They actively seek to improve the school building and space available for all pupils

2013/14 saw the following work completed:

- Refurbishment of front entrance foyer to improve lighting;
- Installation of more efficient lighting in KS2 classrooms;
- Refurbishment of KS2 girls' and boys' toilets and cloakroom areas;
- Remodelling Year 2 and EYFS teaching areas;
- Replacement of one of our four boilers;
- Installation of Multi-Use Games Area;

Governors are committed to support and challenge the academy in order to maintain the extremely high levels of achievement the pupils currently attain.

The academy's Self Evaluation has identified School Development focuses for the academic year 2014/15 which includes:

- The production of a strategic plan for 1, 3 & 5 years to identify development areas
- Recruiting two parent governors to improve the way we listen and understand the views of our parents.

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FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no Funds held as Custodian Governor on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

AUDITOR

The auditor, Crowe Clark Whitehill LLP, has indicated its willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditor at a meeting of the Governors.

This report, incorporating the Strategic Report, was approved by order of the board of Governors, as the company directors, on 16 December 2014 and signed on the board's behalf by:



Mr G Moss
Chair of Governors

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that St Clement's C of E Primary Academy, Nechells 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 Governors 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 St Clement's C of E Primary Academy, Nechells and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Board of Governors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mr M Kiani, Parent Governor	2	4
Mrs J Miller, Community Governor	0	1
Mr J Yates, Governor	0	1
Mr G Moss, Chair of Governors (effective 1 September 2014), Chair of Premises, Health and Safety Committee	6	6
Mrs V Harris, Governor	6	6
Ms A Simmons, Parent Governor	2	4
Mr T Cresswell, Governor	5	6
Mrs S Simmons, Head Teacher	6	6
Mrs B Richmond, Chair of Curriculum Committee	5	6
Mr J Line, Chair of Governors (Up to 31 August 2014)	6	6
Mr R Hornsby, Governor	0	1
Miss D Gooden, Governor	3	6
Mr S Fairbanks, Governor	3	6

Governance reviews:

The governors completed a self-evaluation of impact and effectiveness in October 2014, the outcome of which identified the following areas of required improvement:

- To develop the knowledge and skills of finance and business management. This will be achieved by targeted recruitment during 14/15.
- To produce a 1, 3 and 5 year strategic plan for school and premises development, in conjunction with the school's Leadership Team.
- The next review will take place in 12 months' time, or earlier, should the need arise.

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GOVERNANCE STATEMENT (continued)

The Finance and Audit committee is a sub committee of the main board of governors. Its purpose is to:

- To operate as the audit committee as per EFA guidance
- To assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs S Simmons	3	3
Mr J Line	3	3
Mr G Moss	1	2
Mr R Hornsby	0	1
Mrs J Miller	0	1

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Clement's C of E Primary Academy, Nechells for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

THE RISK AND CONTROL FRAMEWORK

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

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

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Board of Governors has considered the need for a specific internal audit function and has decided to appoint Schools Financial Services, Claire Rodgers as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the internal auditor reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

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 financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 16 December 2014 and signed on its behalf, by:



Mr G Moss
Chair of Governors



Mrs S Simmons
Accounting Officer

ST CLEMENT'S C OF E PRIMARY ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Clement's C of E Primary Academy, Nechells I have considered my responsibility to notify the academy Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy Board of Governors are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2013).

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 Governors and EFA.



Mrs S Simmons
Accounting Officer

Date: 16 December 2014

ST CLEMENT'S C OF E PRIMARY ACADEMY
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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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

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

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

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

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

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

Approved by order of the members of the Board of Governors on 16 December 2014 and signed on its behalf by:



Mr G Moss
Chair of Governors

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF ST CLEMENT'S C OF E
PRIMARY ACADEMY**

We have audited the financial statements of St Clement's C of E Primary Academy for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF ST CLEMENT'S C OF E
PRIMARY ACADEMY**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Helen Drew (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
16 December 2014

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST
CLEMENT'S C OF E PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Clement's C of E Primary Academy during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF ST CLEMENT'S C OF E PRIMARY ACADEMY'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy and specific transactions identified from our review.

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST
CLEMENT'S C OF E PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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


Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

16 December 2014

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

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

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	22,741	24,642	-	47,383	2,038,666
Activities for generating funds	3	875	-	-	875	22,678
Investment income	4	172	-	-	172	130
Incoming resources from charitable activities	5	17,527	1,238,339	43,574	1,299,440	1,141,157
TOTAL INCOMING RESOURCES		41,315	1,262,981	43,574	1,347,870	3,202,631
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income		-	-	-	-	10,730
Charitable activities		15,512	1,308,764	46,867	1,371,143	1,065,559
Governance costs	9	-	5,850	-	5,850	15,688
TOTAL RESOURCES EXPENDED	6	15,512	1,314,614	46,867	1,376,993	1,091,977
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		25,803	(51,633)	(3,293)	(29,123)	2,110,654
Transfers between Funds	18	11,948	(82,919)	70,971	-	-
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		37,751	(134,552)	67,678	(29,123)	2,110,654
Actuarial gains and losses on defined benefit pension schemes		-	(6,000)	-	(6,000)	(22,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		37,751	(140,552)	67,678	(35,123)	2,088,654
<i>Total funds at 1 September 2013</i>		<i>14,566</i>	<i>(84,139)</i>	<i>2,158,227</i>	<i>2,088,654</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		52,317	(224,691)	2,225,905	2,053,531	2,088,654

All activities relate to continuing operations.

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

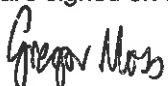
The notes on pages 27 to 46 form part of these financial statements.

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08165736

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	14	2,225,905	2,158,227
CURRENT ASSETS			
Debtors	15	114,720	36,966
Cash at bank		119,730	102,204
		<u>234,450</u>	<u>139,170</u>
CREDITORS: amounts falling due within one year	16	<u>(201,824)</u>	<u>(38,743)</u>
NET CURRENT ASSETS		<u>32,626</u>	<u>100,427</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,258,531</u>	<u>2,258,654</u>
CREDITORS: amounts falling due after more than one year	17	<u>(9,000)</u>	<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES		<u>2,249,531</u>	<u>2,258,654</u>
Defined benefit pension scheme liability	23	<u>(196,000)</u>	<u>(170,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES		<u><u>2,053,531</u></u>	<u><u>2,088,654</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	18	(28,691)	85,861
Restricted fixed asset funds	18	2,225,905	2,158,227
Restricted funds excluding pension liability		<u>2,197,214</u>	<u>2,244,088</u>
Pension reserve		<u>(196,000)</u>	<u>(170,000)</u>
Total restricted funds		<u>2,001,214</u>	<u>2,074,088</u>
Unrestricted funds	18	<u>52,317</u>	<u>14,566</u>
TOTAL FUNDS		<u><u>2,053,531</u></u>	<u><u>2,088,654</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 16 December 2014 and are signed on their behalf, by:


Mr G Moss
Chair of Trustees

The notes on pages 27 to 46 form part of these financial statements.

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	20	121,899	130,484
Returns on investments and servicing of finance	21	172	130
Capital expenditure and financial investment	21	(114,545)	(28,410)
CASH INFLOW BEFORE FINANCING		7,526	102,204
Financing	21	10,000	-
INCREASE IN CASH IN THE YEAR		17,526	102,204

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

	2014 £	2013 £
Increase in cash in the year	17,526	102,204
Cash outflow from decrease in debt and lease financing	(10,000)	-
MOVEMENT IN NET FUNDS IN THE YEAR	7,526	102,204
Net funds at 1 September 2013	102,204	-
NET FUNDS AT 31 AUGUST 2014	109,730	102,204

The notes on pages 27 to 46 form part of these financial statements.

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 COMPANY STATUS

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 GOING CONCERN

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

1.4 FUND ACCOUNTING

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

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

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

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

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 INCOMING RESOURCES

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

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

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

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

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

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

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

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

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

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 RESOURCES EXPENDED

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

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

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

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £100 are capitalised.

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

A review for impairment 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.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation on tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	50 years
Plant & machinery	-	4 years
Computer equipment	-	4 years

The freehold land is owned by The Diocesan Board of Education. The Trustees of The Diocesan Board of Education have granted the Academy, via a supplemental agreement, the right to use the land for educational purposes indefinitely. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.8 OPERATING LEASES

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 TAXATION

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

1.10 PENSIONS

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

ST CLEMENT'S C OF E PRIMARY ACADEMY
(A company limited by guarantee)

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

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Asset transferred from LA - Unrestricted	-	-	-	12,404
Capital transferred from LA - Restricted FA's	-	-	-	2,163,901
Asset transferred from LA - Restricted	-	-	-	1,329
Insurance reclaims	-	24,642	24,642	-
Other voluntary income	5,018	-	5,018	-
Secondment income	9,753	-	9,753	-
Academy sponsor income	7,470	-	7,470	-
Donations	500	-	500	12,032
Pension deficit on conversion	-	-	-	(151,000)
	<u>22,741</u>	<u>24,642</u>	<u>47,383</u>	<u>2,038,666</u>

3. GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Letting's income	875	-	875	-
Sundry income	-	-	-	22,678
	<u>875</u>	<u>-</u>	<u>875</u>	<u>22,678</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Short term deposits	172	-	172	130

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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,051,936	1,051,936	965,301
Capital Grants	-	43,574	43,574	6,104
Other DfE/EFA grants	-	151,888	151,888	92,608
	-	1,247,398	1,247,398	1,064,013
Other government grants				
Local Authority grants	-	34,515	34,515	77,144
	-	34,515	34,515	77,144
Other funding				
School fund	17,527	-	17,527	-
	17,527	-	17,527	-
	17,527	1,281,913	1,299,440	1,141,157

6. RESOURCES EXPENDED

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Costs of generating funds	-	-	-	-	10,730
COSTS OF GENERATING FUNDS	-	-	-	-	10,730
Direct costs - Restricted	701,722	46,867	80,235	828,824	789,908
Direct costs - Unrestricted	-	-	15,512	15,512	-
Support costs	196,925	-	329,882	526,807	275,651
CHARITABLE ACTIVITIES	898,647	46,867	425,629	1,371,143	1,065,559
GOVERNANCE	-	-	5,850	5,850	15,688
	898,647	46,867	431,479	1,376,993	1,091,977

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7. DIRECT COSTS

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Teaching and educational supplies	-	49,044	49,044	40,827
Technology costs	-	15,714	15,714	1,273
Staff Development	-	1,130	1,130	4,807
Educational consultancy	-	-	-	9,087
Other direct costs	15,512	14,347	29,859	9,021
Wages and salaries	-	574,553	574,553	602,327
National insurance	-	41,091	41,091	40,003
Pension cost	-	86,078	86,078	58,954
Depreciation	-	46,867	46,867	23,609
	15,512	828,824	844,336	789,908

8. SUPPORT COSTS

	Restricted funds £	Total 2014 £	Total 2013 £
Technology costs	15,339	15,339	1,272
Staff Development	11,216	11,216	-
Recruitment and support	-	-	1,851
Maintenance of premises and equipment	102,706	102,706	51,387
Cleaning	2,403	2,403	1,470
Rent and rates	2,235	2,235	5,401
Energy costs	16,226	16,226	15,915
Insurance	20,623	20,623	12,883
Security and transport	655	655	2,710
Catering	74,552	74,552	25,821
Bank interest and charges	89	89	96
Other support costs	83,838	83,838	25,482
Wages and salaries	179,212	179,212	107,458
National insurance	5,749	5,749	3,210
Pension cost	11,964	11,964	8,891
Depreciation	-	-	11,804
	526,807	526,807	275,651

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9. GOVERNANCE COSTS

	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Audit of financial statements	3,000	3,000	2,600
Other non audit costs	1,400	1,400	1,400
Legal and professional fees	-	-	11,525
Trustees travel reimbursed	-	-	163
Additional cost of prior auditor	1,450	1,450	-
	<u>5,850</u>	<u>5,850</u>	<u>15,688</u>

10. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	46,867	35,413
Auditor's remuneration	3,000	2,600
Auditor's remuneration - non-audit	1,400	1,400
Governance Internal audit costs	-	-
Operating lease rentals	<u>3,113</u>	<u>1,595</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	697,778	645,469
Social security costs	46,840	43,213
Other pension costs (Note 23)	98,042	67,845
	<u>842,660</u>	<u>756,527</u>
Supply teacher costs	51,487	23,843
Compensation payments	4,500	40,473
	<u>898,647</u>	<u>820,843</u>

b. Staff severance payments

Included in staff costs are non-statutory/non-contractual severance payments totalling £4,500 (2013: £40,473).

c. Staff numbers

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

	2014 No.	2013 No.
Teachers	10	7
Administration and support	12	14
Management	4	4
	<u>26</u>	<u>25</u>

d. Higher paid staff

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	1	0

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for this staff member amounted to £8,518.

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12. GOVERNORS' REMUNERATION AND EXPENSES

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

	2014 £	2013 £
Mrs S Simmons	65,000-70,000	55,000-60,000
Mrs V Harris	35,000-40,000	30,000-35,000
Mr T Cresswell	10,000-15,000	15,000-20,000

During the period ended 31 August 2014, travel and subsistence expenses totalling £Nil (2013: £163) were reimbursed to 1 trustee.

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £475 (2013 - No insurance was purchased). The cost of this insurance is included in the total insurance cost.

14. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Plant & machinery £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2013	2,163,901	10,000	19,739	2,193,640
Additions	74,705	14,551	25,289	114,545
At 31 August 2014	2,238,606	24,551	45,028	2,308,185
DEPRECIATION				
At 1 September 2013	27,978	2,500	4,935	35,413
Charge for the year	29,472	6,138	11,257	46,867
At 31 August 2014	57,450	8,638	16,192	82,280
NET BOOK VALUE				
At 31 August 2014	2,181,156	15,913	28,836	2,225,905
At 31 August 2013	2,135,923	7,500	14,804	2,158,227

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

14. TANGIBLE FIXED ASSETS (continued)

Included in land and buildings is leasehold land at valuation of £765,000 (2013 - £765,000) which is not depreciated.

15. DEBTORS

	2014 £	2013 £
Trade debtors	1,283	-
Other debtors	28,885	2,762
Prepayments and accrued income	84,552	34,204
	<u>114,720</u>	<u>36,966</u>

**16. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Other loans	1,000	-
Trade creditors	21,405	17,696
Other taxation and social security	11,423	-
Accruals and deferred income	167,996	21,047
	<u>201,824</u>	<u>38,743</u>

DEFERRED INCOME

Deferred income at 1 September 2013	1,154
Resources deferred during the year	38,577
Amounts released from previous years	(1,154)
Deferred income at 31 August 2014	<u>38,577</u>

The above deferred income consists of £30,815 grant monies received in advance for Early Years Single Funding Formula and £7,762 of infant free school meals funding.

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**NOTES TO THE FINANCIAL STATEMENTS
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**17. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014 £	2013 £
Other loans	9,000	-

During the year St Clements C of E Primary Academy received a £10,000 Salex loan from the EFA for replacement boilers. The loan is at 0% interest and will be repaid over a 5 year period in £1,000 installments every 6 months from 1 March 2015.

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
Unrestricted funds	14,566	41,315	(15,512)	11,948	-	52,317
RESTRICTED FUNDS						
General Annual Grant (GAG)	73,913	1,051,936	(1,083,569)	(70,971)	-	(28,691)
Other EFA grants	-	179,048	(179,048)	-	-	-
LA Grants	-	7,355	(7,355)	-	-	-
Other restricted funds	11,948	24,642	(24,642)	(11,948)	-	-
Pension reserve	(170,000)	-	(20,000)	-	(6,000)	(196,000)
	(84,139)	1,262,981	(1,314,614)	(82,919)	(6,000)	(224,691)
RESTRICTED FIXED ASSET FUNDS						
Capital expenditure from GAG	2,158,227	-	(46,867)	114,545	-	2,225,905
DfE/EFA capital grants	-	43,574	-	(43,574)	-	-
	2,158,227	43,574	(46,867)	70,971	-	2,225,905
Total restricted funds	2,074,088	1,306,555	(1,361,481)	(11,948)	(6,000)	2,001,214
Total of funds	2,088,654	1,347,870	(1,376,993)	-	(6,000)	2,053,531

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

18. STATEMENT OF FUNDS (continued)

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

- 1) General Annual Grant: this must be used for the normal running costs of the Academy Trust
- 2) Start Up Grant: this relates to funds used in connection with the initial set up of the Academy Trust
- 3) Other Dfe/EFA Grant: this fund relates to other grants received with must be used for the purpose intended.
- 4) Other Restricted: this find relates to all other restricted funds received which must be used for the purpose intended.
- 5) Restricted fixed asset fund: this fund relates to resources which must be applied for specific capital purposes intended.

Transfer between the Restricted funds and Restricted Fixed Asset funds relates to the amounts expended on fixed assets from other funds. The school fund account has been transferred to Unrestricted Funds as there were no restrictions on this fund.

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	14,566	41,315	(15,512)	11,948	-	52,317
Restricted funds	(84,139)	1,262,981	(1,314,614)	(82,919)	(6,000)	(224,691)
Restricted fixed asset funds	2,158,227	43,574	(46,867)	70,971	-	2,225,905
	<u>2,088,654</u>	<u>1,347,870</u>	<u>(1,376,993)</u>	<u>-</u>	<u>(6,000)</u>	<u>2,053,531</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	2,225,905	2,225,905	2,158,227
Current assets	52,317	182,133	-	234,450	139,170
Creditors due within one year	-	(201,824)	-	(201,824)	(38,743)
Creditors due in more than one year	-	(9,000)	-	(9,000)	-
Provisions for liabilities and charges	-	(196,000)	-	(196,000)	(170,000)
	<u>52,317</u>	<u>(224,691)</u>	<u>2,225,905</u>	<u>2,053,531</u>	<u>2,088,654</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	(29,123)	2,110,654
Returns on investments and servicing of finance	(172)	(130)
Depreciation of tangible fixed assets	46,867	35,413
Donated assets	-	(2,165,230)
Increase in debtors	(77,754)	(36,966)
Increase in creditors	162,081	38,743
Inherited defined pension scheme liability	-	151,000
FRS 17 pension movement	20,000	(3,000)
NET CASH INFLOW FROM OPERATIONS	121,899	130,484

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

	2014 £	2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	172	130
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(114,545)	(28,410)
FINANCING		
Salex Loan	10,000	-

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**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	102,204	17,526	-	119,730
DEBT:				
Debts due within one year	-	-	(1,000)	(1,000)
Debts falling due after more than one year	-	-	(9,000)	(9,000)
NET FUNDS	102,204	17,526	(10,000)	109,730

23. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

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

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23. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

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

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

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

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

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

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

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23. PENSION COMMITMENTS (continued)

academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £41,144, of which employer's contributions totalled £26,070 and employees' contributions totalled £15,074. The agreed contribution rates for future years are 10.5% for employers and between 5.5% and 12.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(439,000)	(371,000)
Fair value of scheme assets	243,000	201,000
Net liability	(196,000)	(170,000)

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

	2014 £	2013 £
Current service cost	39,000	39,000
Interest cost	20,000	14,000
Expected return on scheme assets	(13,000)	(8,000)
Total	46,000	45,000
Actual return on scheme assets	23,000	17,000

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

	2014 £	2013 £
Opening defined benefit obligation	371,000	-
Contributions by scheme participants	14,000	16,000
Acquired in a business combination	-	271,000
Current service cost	39,000	39,000
Interest cost	20,000	14,000
Actuarial (gain)/loss	(5,000)	31,000
Closing defined benefit obligation	439,000	371,000

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23. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening fair value of scheme assets	201,000	-
Contributions by employer	26,000	48,000
Contributions by employees	14,000	16,000
Assets acquired in a business combination	-	120,000
Expected return on assets	13,000	8,000
Actuarial gains and (losses)	(11,000)	9,000
	<u>243,000</u>	<u>201,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £28,000 (2013 - £22,000).

The academy expects to contribute £30,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Equities	45.00 %	42.40 %
Government bonds	7.90 %	8.40 %
Other bonds	10.30 %	11.20 %
Property	8.70 %	8.70 %
Cash/liquidity	4.40 %	4.10 %
Other	23.70 %	25.20 %

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

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.80 %
Rate of increase in salaries	3.95 %	4.25 %
Rate of increase for pensions in payment / inflation	2.20 %	2.50 %
Inflation assumption (CPI)	2.20 %	2.50 %

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

	2014	2013
Retiring today		
Males	22.9	22.1
Females	25.5	24.8
Retiring in 20 years		
Males	25.1	23.9
Females	27.8	26.7

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23. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(439,000)	(371,000)
Scheme assets	243,000	201,000
Deficit	<u>(196,000)</u>	<u>(170,000)</u>

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.

24. OPERATING LEASE COMMITMENTS

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

	Land and buildings 2014 £	2013 £	Other 2014 £	2013 £
EXPIRY DATE:				
Between 2 and 5 years	-	-	6,226	3,589

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NOTES TO THE FINANCIAL STATEMENTS
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25. MEMBERS' LIABILITY

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

26. RELATED PARTY TRANSACTIONS

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

The Diocesan Board of Education which acts as the sponsor were paid a levy of £12,000 (2013: £5,000) by the Academy during the period. The Academy received a £7,470 reimbursement of costs during the year.

The freehold land is held by the Birmingham Diocesan Trustees registered as custodians for the beneficial user of the land - St Clement's C of E Primary Academy, Nechells. The Birmingham Diocesan Trustees have granted the Academy, via a supplemental agreement, the right to use the land for educational purposes indefinitely. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

Mr Simmons, the husband of Sue Simmons (head teacher) is the owner of ANS Electrical Contractors Limited. ANS Electrical Contractors Limited carried out electrical works for St Clement's C of E Primary Academy, Nechells totalling £5,683 (2013: £316) during the year. This work was approved by the board and provided to the academy at cost. No balance was due to this company at the Balance Sheet date.

The Chair of Governors, John Line is a director of Academy Company Secretary Limited. Secretarial services were provided to St Clement's C of E Primary Academy, Nechells during the year at no cost.

27. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The St Clement's C of E Primary Academy, Nechells is an autonomous body, financed mainly by public funding and files separate entity accounts.

The Academy's sponsor, The Diocesan Board of Educational Trust, has the power to appoint Governors to the board of the Academy. St Clement's C of E Primary Academy, Nechells, along with all other academies in The Diocese of Birmingham Educational Trust, will therefore be consolidated at trust level.