

Roseacre Primary Academy

(A Company Limited By Guarantee)

Annual Report and Financial Statements

Year Ended 31st August 2016

Company Registration Number: 08221228 England and Wales

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Roseacre Primary Academy

Reference and Administrative Details

Trustees	Mrs A Frith (Chair, Community Governor) #
	Mrs L McConnell (Vice Chair, Community Governor) #
	Mrs L Hall (Community Governor)+#
Governors	Mrs J Carroll (Head and Accounting Officer) +#
	Mrs S Tabeart (community Governor)
	Mrs A Conuel (Staff Governor)
	Mr H Parish# (Community Governor)
	Mr D Lusher+ (Community Governor, resigned 11.07.16)
	Mrs K Korogorin (Community Governor, appointed 12.07.16)
	Mr S Poole# (Parent Governor)
	Mrs H Geddes# (community Governor)
	Mrs S Townsend-Wallace +# (Parent Governor)
	Mr Stephen Knowles# (Community Governor, appointed 01.09.16)
	Ms V Beckett (Associate governor)
	Ms KE Staley (Associate governor)
	# Member of the resources committee
	+ Member of the audit committee

Company Secretary	Mrs A Penn
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Senior Management Team	Headteacher	Mrs J Carroll
	Senior Deputy Headteacher	Mr S Hickey
	Deputy Headteacher	Ms J Logan
	Inclusion Manager	Miss AM Walker
	Curriculum Manager	Mrs K Brown
	Engagement Manager	Mrs S Boden
	Business Manager	Mrs A Penn

Principal and Registered Office	Stonycroft Ave Blackpool FY4 2PF
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Company Registration Number	08221228 (England and Wales)
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Independent Auditor	Crossley & Davis Ground Floor Seneca House Links Point Amy Johnson Way Blackpool FY4 2FF
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Bankers

Lloyds TSB Bank
30 Corporation Street
Blackpool
FY1 1EN

Solicitors

Browne Jacobson
Ground Floor
3 Piccadilly Place
Manchester
M1 3BN

Roseacre Primary Academy

Trustees' Report Period Ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period from 1 September 2015 to 31 August 2016. The annual report serves the purpose of both a trustee's report, and a director's report under company law. The trust operates an academy for pupils aged between 4 and 11 serving an area in south Blackpool. It has a pupil capacity of 630 and had a roll of 616 in the school census on 21 January 2016.

Structure, Governance and Management

Constitution

Roseacre Primary Academy Trust Limited was incorporated on 19 September 2012 and on 1 October 2012 and was converted to academy trust status under the Academies Act 2010.

The academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Roseacre Primary Academy Limited are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Roseacre Primary Academy. Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 3.

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 amounts as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £6,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Trustees

There are twelve members of the Governing Body at Roseacre Primary Academy, and two Associate Members. For Local Authority (LA) and Community Governor appointments, skills audits may be undertaken as required, to identify gaps and to ensure the Governing Body have a breadth of experience/skills in their membership.

The selection methods are as follows:

Local Authority - a request is put forward to the LA to provide a person with appropriate skills set. The Governing Body would then be asked to confirm their acceptance of the nominee.

Community Governors - These are appointed by the Governing Body. Members would be invited to seek suitably qualified persons with the necessary skills. The Governing Body would then be asked to confirm their acceptance of the nominee.

Staff and Parent Governors - are elected in accordance with adopted procedures. These reflect the procedures that have been produced by the Local Authority.

Associate Members are appointed to enrich the Governing Body and are selected in the same way as Community Trustees.

Roseacre Primary Academy

Trustees' Report Period Ended 31 August 2016 (continued)

Policies and Procedures Adopted for the Induction and Training of Governors

During the year under review the Governors held three Full Governors Meetings and three Finance and Staffing Meetings. In addition, there have been various facilitated training events as the Academy holds a Service Contract for Governor Training with the LA Governor Services.

The training and induction provided for new Governors depends on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of a Governor Induction Pack, policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The structure of the Academy consists of three levels: the Trustees, the Governors and the Senior Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Managers are the Headteacher, the Deputy Headteacher and the Inclusion, Curriculum, Engagement and Business Managers. The Headteacher, who is the Accounting Officer, controls the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them and is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Governor.

Arrangement for setting pay and remuneration of key management personnel

Pay decisions at Roseacre Primary Academy are made by the Governing Body Resources Committee following recommendations made by the Headteacher. In the case of the Headteacher, the Governing Body make the recommendation.

All teachers are paid in accordance with the statutory provisions of the current School Teachers Pay & Conditions Document (STPCD). Performance targets for Senior Managers are determined by the Governing Body advised by a consultant external to the academy. Senior Managers' pay arrangements are determined in accordance with the current STPCD

Connected Organisations, including Related Party Relationships

Roseacre Primary Academy is a member of Blackpool Primary Partnership and is a strategic partner in the Fylde Coast Teaching Schools Alliance.

Roseacre Primary Academy

Trustees' Report Period Ended 31 August 2016 (continued)

Objectives and Activities

Principal Activities

The academy's principal activity is specifically restricted to the following:

To advance, for the public benefit, education in the United Kingdom, in particular but without prejudice, to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Roseacre Primary Academy is a non-selective school which provides education for pupils of different abilities between the ages of 4 and 11. Our pupils are drawn from the catchment area, in accordance with the Local Authority's admissions criteria.

Objects and Aims

Roseacre is much larger than the average primary school. The pupils who attend live mainly in the South Shore area of Blackpool, although some travel from further afield. The vast majority of pupils are from White British backgrounds. A below average proportion of pupils are known to be eligible for free school meals. The proportion of pupils with special educational needs and/or disabilities is well below average.

To support learning, the academy runs a breakfast and after-school club, in-school booster lessons and targeted support. Pupil Premium Grant is used to effectively support the attainment, progress and attendance of Roseacre pupils. The academy also offers its pupils a wide range of activities and experiences beyond the academic, with coaching in various sports, participation in performing arts and musical productions, educational visits and a residential outdoor experience.

The Academy's main strategy is encompassed in its mission statement which is:

"Excellence for All – Excellence from All"

The main objectives of the Academy during the period ended 31 August 2016 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of teaching, learning and care
- to raise the standard of educational achievement of all pupils
- to provide value for money for the funds expended
- to comply with all appropriate statutory and curriculum requirements
- to maintain close partnerships with the local community
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Objectives, Strategies and Activities

The Academy will strive to:

- Accelerate the progress made by disadvantaged children.
- Ensure that more able learners achieve their potential.
- Assess and track the progress of learners across the whole curriculum.
- Ensure that staff CPD is directly linked to ensuring the best possible outcomes for children

Roseacre Primary Academy

Trustees' Report Period Ended 31 August 2016 (continued)

The Academy's Key objectives are outlined below:

- Accelerate rates of progress for disadvantaged children, including those entitled to Free School Meals, directing Pupil Premium Grant funding to support this.
- Through Performance Management, support Academy Improvement Groups, to raise achievement of children with the following foci:
 - Mathematical development
 - Language development
 - Disadvantaged children
 - More able learners
 - Assessment of foundation subjects
- Ensure robust leadership in all subjects.
- Raise achievement in all subjects across the curriculum, through Performance Management, in the following Subject Leadership groups:
 - Mathematical development
 - Language development
 - Sciences
 - Humanities
 - Creative development
 - Personal & Physical development
- Review and embed the implementation and reporting of 'Assessing without Levels' for maths and English.
- Introduce the implementation and reporting of 'Assessing without Levels' for all other subjects.
- Sustain and build on improvements to standards of teaching, ensuring the very best provision for Roseacre children.
- Consider the opportunities and funding available to enhance the learning environment (see academy reserves section)
- Continue to improve standards in Physical Education through direct use of PE funding.
- Provide opportunities by working with local community providers to up-skill teachers in their delivery of PE/sports activities.

Public Benefit

The academy's articles of association state that it will provide educational facilities and services to students of all ages and the wider community for the public benefit. The academy Trustees have complied with their duty to have regard to the guidance on public benefit by the charity commission in exercising their powers or duties.

Achievements and Performance

The Academy continues to be popular and oversubscribed for places in reception. It continues to achieve results at or above national expectation at the end of Key Stage 1 and Key Stage 2.

Roseacre Primary Academy

Trustees' Report Period Ended 31 August 2016 (continued)

The new statutory assessment results for Y6 in 2016 were broadly in line with the national average.

Subject	2016			2015		
	Achieved Age-Related Expectation	Did not achieve Age Related Expectation	Progress (Scaled Score)	Level 4+	Level 5	2 Levels Progress
Reading	64%	36%	-1.8	93%	48%	95%
Writing	76%	24%	+1.0	90%	41%	95%
Mathematics	70%	30%	+0.1	92%	36%	90%
Spelling Punctuation & Grammar	73%	27%	-0.9	86%	58%	-

The Academy has received recognition and Quality Marks in the following areas:

Arts Mark Silver Award	2011
Geography Quality Mark	2012
ICT Quality Mark	2013
Investors in People Bronze Award	2014
Ofsted 'Good'	2014 (July)
Eco Schools	2016
Basic Skills Quality Mark	2016
Sainsbury's PE Gold Award	2016

The Chair of Trustees and Chair of Governors is a National Leader for School Governance.

Going Concern

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

Financial Review

Financial Report for the Year

Most of the Academy's income is obtained from the 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 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2016, total expenditure was met by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £170,436.

Roseacre Primary Academy

Trustees' Report Period Ended 31 August 2016 (continued)

In addition to expenditure on normal educational activities, the academy has undertaken an extensive programme of refurbishment which is funded from restricted and unrestricted general reserves accumulated for that purpose. The Governor's approved a related transfer between funds as follows:

From	To	Value	Comment
Restricted general fund	Restricted Fixed Asset Fund	£674,807	Use of general restricted funds for the refurbishment of KS2

At 31 August 2016 the net book value of fixed assets was £3,067 million. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Following the annual actuarial valuation, the Academy's share of the LGPS defined benefit pension scheme has increased to £1.147m (further information in Note 26). This deficit is included in the restricted general fund. It does not affect the day to day running of the academy or its cash flow but the triennial valuation of the scheme, due in 2017, may result in increased employer contributions which will have to be considered when setting future budgets.

Reserves Policy

The purpose of the reserve policy for Roseacre Primary Academy is to ensure the stability of the Academy's organisational operations, to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

Restricted reserves are generated from the main income for the Academy which is General Annual Grant (GAG) and other grant contributions or donations which are received for a specific project or purpose. These funds are restricted for the use according to the funding agreements or donors instructions.

The level of reserves will be determined by Trustees annually and can fluctuate depending on operational needs but the Trustees have determined that the Academy should aim to have a minimum of £250,000 held in reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. All reserves are reported and reviewed regularly at management meetings and expenditure from reserves approved by the Trustees.

Unrestricted Funds are made up of the academy's activities for generating funds, investment income and other donations which are expendable at the discretion of the Trustees in order to achieve the objectives of the Academy.

The Academy is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity, it continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

These funds will be reviewed regularly by the Trustees and finance committee and are obtained through one off donations and are generally built up over time from fund generating activities and investments.

Designated Funds are unrestricted funds that have been allocated by the Trustees for a particular purpose and these funds are reviewed regularly and approved by the Trustees and Finance committee.

The Trustees and staff will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserve as described in this policy. This step requires analysis of the reason for any

Roseacre Primary Academy

Trustees' Report Period Ended 31 August 2016 (continued)

shortfall, the availability of any other sources of funds before using reserves and evaluation of the time period that the funds will be required and replenished.

Authorisation to use reserves of any kind will be made by the Trustees and the Finance and Staffing Committee, at the next available meeting the approval should be noted in the minutes.

The Trustees are responsible for ensuring that the funds are maintained and used only as described in this policy. Upon approval for the use of these funds, the Academy will maintain a record of the use of the funds. The Finance and Staffing Committee should regularly monitor the progress of the reserves.

This policy will be reviewed by the Resources Committee every three years or sooner if warranted by internal or external events or changes. Changes to the policy will be recommended by the Resources Committee to the Board of Trustees.

The Trustees 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 Trustees have determined that the appropriate level of free reserves should not exceed 12% of GAG. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The current level of free reserves exceeds the amount determined by the Trustee's. The Academy's excess reserves have been earmarked for the following projects:

To improve the learning environment and enrich the learning experiences of the children of Roseacre Primary Academy, through:

- Completion of the remodelling and new-build project, resulting in classrooms of at least 50 square metres in size.
- Updating the intruder alarm and security door system at the KS2 end of school.
- Further developing the EYFS outdoor area to include fencing and in/out gates.
- Ensuring that each EYFS and Y1 classroom has access to a dedicated external door.
- Providing EYFS with dedicated toilet and changing facilities.

The academy's current level of free reserves (total unrestricted funds plus total restricted general funds less pension deficit) is £546,450. The Academy held fund balances as 31 August 2016 of £2.639m comprising £2.381m restricted funds and £258,016 unrestricted funds.

Investment Policy

The aim of this policy is to ensure that funds which Roseacre Primary Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk. Our aim is to spend the public monies with which we are entrusted for the direct educational benefit of our children as soon as is prudent. The Academy does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice as and when circumstances allow. The main purposes of the policy are as follows:

- To ensure adequate cash balances are maintained in the current account to cover day to day working requirements
- To ensure there is no risk of loss in capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds

Roseacre Primary Academy

Trustees' Report Period Ended 31 August 2016 (continued)

Regular cash flow reports are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements (anything in excess of the £250,000 minimum reserves which is not necessary for short term cash flow requirements) these may be invested following approval from the Resources Committee. Approval must be signed off and recorded in the committee minutes. In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk. Surplus funds are invested with the existing banker Lloyds TSB in an instant access deposit account. Interest is received on a quarterly basis. The Resources Committee will receive a report at each meeting as to the performance of the investment. The aim is to reach an appropriate level of reserve to allow the management and the Resources Committee to explore alternative investment possibilities with criteria being:

- Investment with a different counterparty (in order to reduce counterparty risk)
- Consideration of whether there should be a maximum level of investment with a single approved counterparty
- A longer term investment with a higher return (but not high risk investments which are not in the best interests of the Academy)

Financial and Risk Management Objectives and Policies

Given that the Academy mainly deals with bank balances, cash and trade creditors with limited trade and other debtors the principle risks and uncertainties facing the academy are not felt to be material to the assessment of the trust's assets, liabilities, financial position and its results.

The actuarial report for the Local Government Pension Scheme shows a deficit on the proportion of fund assets and liabilities relating to Roseacre Primary Academy at 31 August 2016 of £1.147m. However, 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.

Risk Management

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances.

The Trustees have implemented a number of systems to assess risks that the school faces, especially in the key operational areas identified through the Risk Register e.g. in relation to use of Pupil Premium, 3 Year Financial Business Plan, Business and Continuity Plan and in relation to the control of finance.

They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

Roseacre Primary Academy

Trustees' Report Period Ended 31 August 2016 (continued)

Principle Risks and Uncertainties

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk or failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Trustees have considered the principle risks and uncertainties facing the academy as follows:

- Safeguarding pupils both on and off school premises.
- Business continuity in the event of major disaster.
- Financial risks including fraud, solvency etc.
- Health and Safety including maintenance of the property.
- The ongoing financial implications of asbestos treatment and/or removal.
- Long term staff sickness.
- Outstanding Debts (fees owed by parents).
- The proposed opening of a new through free school and its potential impact on future pupil numbers.

The risk management process that the academy has in place has addressed and attempted to minimise these risks.

The Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Trustees have entered into a reciprocal agreement with another academy to undertake a peer-to-peer review and perform a range of checks on the Academy's financial systems. [On a quarterly basis, the reviewer provides a report on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.] These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Plans for Future Periods

The Academy will:

- Continue striving to improve the levels of performance of its pupils.
- Improve the skills and knowledge of all its staff through appropriate CPD.
- Use reserves to continue to improve the learning environment.
- Ensure that the maintenance programme for the existing building is updated.

Roseacre Primary Academy

Trustees' Report Period Ended 31 August 2016 (continued)

Auditor


In so far as the Trustees are aware:

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

The auditors, Crossley and Davis, are willing to continue in office and a resolution to appoint them will be proposed at the Full Trustees Meeting during the Autumn Term on an annual basis.

Approved by order of the members of the governing body on 23 November 2016 and signed on its behalf by:

[Signed]



Alana Frith

[Chair]

Roseacre Primary Academy

Governance Statement

Company law requires that the Trustees prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company at the end of the financial year. This includes the academy's incoming resources and expenditure. When preparing financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are responsible and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in financial statements
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees confirm that, so far as they are aware, there is no relevant audit information of which the charitable company's auditors are aware. They have taken all the steps that they ought to be taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Roseacre Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

The Trustees acknowledge their responsibilities for ensuring that Roseacre Primary Academy Trust Limited has an effective and appropriate system of control, financial and otherwise. The Trust is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable us to ensure the financial statements comply with the Companies Act. The Trust acknowledges responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The Academy is operating efficiently and effectively
- Its assets are safeguarded against unauthorised use or disposition
- The proper records are maintained and financial information used within the Academy or for publication is reliable
- The Academy complies with relevant laws and regulations
- 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 governing body
 - regular reviews by the Finance, Buildings & Health & Safety Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

Roseacre Primary Academy

Governance Statement (continued)

- 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

In addition, the Trustees have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice.

Accordingly they have set policies on internal controls which cover the following:

- the type of risks the Academy faces
- the level of risks which they regard as acceptable
- the likelihood of the risks materialising
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise
- the costs of operating particular controls relative to the benefits obtained
- clarified the responsibility of the Management Team to implement the Trustees' policies and to identify and evaluate risks for the Trustees' consideration
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment
- included procedures for reporting failings immediately to appropriate levels of management and the Trustees together with details of corrective action being undertaken

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

The governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Roseacre Primary Academy

Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustee's report and in the Statement of Trustees Responsibilities. The governing body has formally met 3 times during the year. Attendance during the year at meeting of the governing body was as follows:

Trustee/Governor	Meetings Attended	Out of a Possible
Mrs A Frith (Chair)	3	3
Mrs J Carroll (Head)	3	3
Mrs S Tabcart	3	3
Mrs L McConnell (Vice Chair)	2	3
Mr D Lusher (resigned 11.07.16)	1	2
Mrs A Conuel	3	3
Mrs K Korogorin (appointed 12.07.16)	1	1
Mr S Poole	3	3
Mrs H Geddes	3	3
Mrs S Townsend-Wallace	2	3
Mrs L Hall	2	3
Mr H Parish	2	3

On academy conversion the academy undertook a self-evaluation of the effectiveness of the governing body. There have been a number of changes in the leadership structure and the governing body in the period since conversion; therefore the academy plans on-going self-evaluation to ensure effectiveness.

The finance and resources committee is a sub-committee of the main governing body. Its purpose is to provide guidance and assistance to the Governing Body and Headteacher on general financial matters relating to the Academy, including the use of financial services offered to the school:

Academies Financial Handbook

Peer-to-Peer audit checks

Finance Officer

Crossley and Davis Auditors

The committee's functions include:

- the initial review and authorisation of the annual budget
- the regular monitoring of actual expenditure and income against budget; ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE / EFA guidance issued to academies
- authorising the award of contracts over £5,000
- authorising changes to the academy personnel establishment
- reviewing the reports of the Responsible Officer from the Audit Committee on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body

At each meeting the committee will receive reports from the Business Support Officer on the accumulative monthly spend and advice on measures to correct variations.

Roseacre Primary Academy

Governance Statement (continued)

The finance committee has, at the very least, the following tasks to perform:

- Preparation of draft budget
- Appraising different expenditure options
- Assessing expenditure bids
- Forecasting rolls and expected income levels
- Monitoring and adjusting in-year expenditure
- Ensuring accounts are properly finalised at year end / reviewing outturn
- Evaluating the effectiveness of financial decisions
- Ensuring there are effective and appropriate systems of internal financial control

The following powers have been delegated to the finance committee:

- Ensure that the Financial Regulations as outlined in the Academies Financial Handbook 2013 are implemented
- To prepare the annual budget for submission to the governing body
- Decide and submit to the EFA by the required date the final budget for each financial year
- To monitor regularly income and expenditure of the delegated budget and other public funds, showing a comparison of these against the budget estimates
- To notify the governing body of any significant variations between estimates and actual expenditure, taking remedial action where necessary
- Exercise virement between budget headings for amounts more than those permitted to the Headteacher by the school's financial regulations. Such amounts shall not exceed **25% or £5,000** whichever is the less, of the budget heading concerned without prior approval of the Governing Body
- Prepare a Lettings (including charges) Policy for the approval of the Governing Body and then implement it, ensuring that the appropriate repayments from lettings are credited to the school budget
- Prevent spending exceeding the grand total of the annual budget and report to the Governing Body if there is a possibility of overspends
- Receive and, where appropriate, respond to periodic audits of delegated funds
- Participate in the completion of the Assessment Form for Financial Management Standard in Schools as Good Practice
- Ensure the annual certification of any private funds operated by the school.
- Respond to consultation by the DFE / EFA on the operation of, and modifications to, funding arrangements.
- To agree Service Contracts
- To ensure BEST VALUE in all dealings involving school finances
- To establish a 3 year Financial Plan based on pupil numbers
- Provide documentation for scrutiny during OFSTED / audit
- Where necessary call a special meeting of the Governing Body

Attendance at meetings in the year was as follows:

Trustee/Governor	Meetings Attended	Out of a Possible
Mrs J Carroll (Head)	3	3
Mr H Parish	2	3
Mr S Poole (Chair)	2	3
Mrs H Geddes	2	3
Mrs A Frith	3	3
Mrs L McConnell	2	3
Mrs L Hall	2	3
Mrs S Townsend-Wallace	3	3
Other Trustees/Governors attended Resources Committee meetings as observers throughout the year		

Roseacre Primary Academy

Governance Statement (continued)

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Benchmarking against other schools to identify areas where efficiency can be improved.
- Reviewing Service Contracts delivered by the local authority and other providers to ensure that best value is being obtained.
- Letting academy premises in order to raise additional income and provide a facility for the wider community.
- Producing monthly management accounts.
- Rigorous budget monitoring
- Cash flow management and reporting
- Working with a cluster of local academy schools wherever possible to take advantage of any economies of scale and share best practice.
- Based on the School Development Plan, evaluating spending on specific initiatives based on pupil performance and other key indicators.
- Ensuring curriculum spend is linking to the school development plan.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Roseacre Primary Academy for the year ended 31 August 2016 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 School's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of trustees.

The Risk and Control Framework

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

Roseacre Primary Academy

Governance Statement (continued)

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

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have entered into a reciprocal arrangement with Tower Multi Academy Trust for peer-to-peer review of academy trust's financial systems. Further external support may be obtained if the committee deems it necessary.

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

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

On a termly basis, the reviewer's reports are submitted to the board of trustees, through the audit committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year the reviewer has delivered their schedule of work as planned and no material control issues were arising.

Review of Effectiveness

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

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

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

Prior to conversion the Trustees approved the purchase of Financial Management System 6 to enable compatibility with the required systems in the Academy Financial Handbook. Following conversion the Trustees and Headteacher have produced a Risk Management Register and used this document to identify high risk areas. This analysis was used to determine the strategic focus of the Responsible Officers visits.

Roseacre Primary Academy

Governance Statement (continued)

Following each visit the Responsible Officer has presented the Audit Committee with an Action Plan to improve systems which are being implemented and monitored. As highlighted by the risk analysis the Trustees have implemented an electronic Asset Management Register to assess annual depreciation of the Academy Assets. Further internal controls that have been established as part of the Risk Management Plan are Business Continuity Plan and Staff Absence Insurance Policy which includes a Staff Well-Being Facility.

Approved by order of the members of the governing body on 23 November 2016 and signed on its behalf by:

[Signed]



Mrs A Frith
[Chair]

[Signed]



Mrs J Carroll
[Accounting officer]

23 November 2016

Roseacre Primary Academy

Statement on Regularity, Propriety and Compliance

As accounting officer of Roseacre Primary Academy I have considered my responsibility to notify the School 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 School and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the School board of trustees are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School'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.



J Carroll
[Accounting officer]

23 November 2016

Statement of Trustees' Responsibilities

The Trustees (who act as trustees for the charitable activities of Roseacre Primary Academy Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustee's report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom generally accepted accounting practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 on the charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK accounting standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 23 November 2016 and signed on its behalf by:



A Frith
[Trustee]

Roseacre Primary Academy

Independent Auditor's Report on the Financial Statements to the Members of Roseacre Primary Academy

We have audited the financial statements of Roseacre Primary Academy for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 23), the trustees (who are also the directors of the charitable company 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 (APB'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 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 financial statements. In addition, we read all the financial and non-financial information in the Annual 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 the Academies Accounts Direction 2015 to 2016; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements are prepared is consistent with the financial statements.

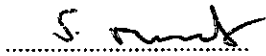
Roseacre Primary Academy

Independent Auditor's Report on the Financial Statements to the Members of Roseacre 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr. S.D. Mondy (Senior Statutory Auditor)
For and on behalf of Crossley & Davis, Statutory Auditor

Ground Floor, Seneca House,
Links Point,
Amy Johnson Way,
Blackpool
Lancashire
FY4 2FF

23rd November 2016

Roseacre Primary Academy

Independent Reporting Accountant's Assurance Report on Regularity to Roseacre Primary Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 29 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015/16, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Roseacre Primary Academy during the period 1 September 2015 to 31 August 2016 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 the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body 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 Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 October 2012 and the Academies Financial Handbook extant from 1 September 2015, 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 2015/16. 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 from 1 September 2015 to 31 August 2016 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 2015 to 2016 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Evaluation of the control environment within the school
- Analytical review both internally and with similar local schools
- Substantive testing of transactions

Roseacre Primary Academy

Independent Reporting Accountant's Assurance Report on Regularity to Roseacre Primary Academy and the Education Funding Agency

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 from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr. S.D. Mondy

For and on behalf of Crossley & Davis, Chartered Accountants

Ground Floor, Seneca House,
Links Point,
Amy Johnson Way,
Blackpool
Lancashire
FY4 2FF

23rd November 2016

Roseacre Primary Academy

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 £000
Income and endowments from:						
Donations and capital grants	3	0	2	129	131	12
Funding for the academy trust's educational operations	4	0	2,515	0	2,515	2,533
Other trading activities	5	145	1	0	146	142
Investments	6	3	0	0	3	1
Total		148	2,518	129	2,795	2,688
Resources Expended						
Raising Funds	7	90	0	0	90	48
Charitable Activities:						
Academy's educational operations	8	0	2,405	44	2,449	2,410
Other		0		0	0	15
Total resources expended		90	2,405	44	2,539	2,473
Net incoming / (outgoing) resources before transfers		58	113	85	256	215
Gross transfer between funds		0	(675)	675	0	0
Net incoming/outgoing resources before other recognised gains and losses		58	(562)	760	256	215
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes		0	(567)	0	(567)	
Net movement in funds		58	(1,129)	760	(311)	215
Reconciliation of funds						
Total funds brought forward at 1 September 2015		200	270	2,480	2,950	2,735
Total funds carried forward at 31 August 2016		258	(859)	3,240	2,639	2,950

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

Roseacre Primary Academy

Balance Sheet as at 31 August 2016

Company
Number
08221228

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Tangible assets	12		3,067		2,429
Current assets					
Stock	13	6		8	
Debtors	14	112		66	
Cash at bank and in hand		966		1,301	
		<u>1,084</u>		<u>1,375</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(365)</u>		<u>(309)</u>	
Net current assets			<u>719</u>		<u>1,066</u>
Total assets less current liabilities			<u>3,786</u>		<u>3,495</u>
Creditors: Amounts falling due after more than one year			<u>0</u>		<u>0</u>
Net Assets Excluding Pension Scheme Liability			<u>3,786</u>		<u>8,065</u>
Pension scheme liability	26		<u>(1,147)</u>		<u>(545)</u>
Net assets including pension liability			<u>2,639</u>		<u>2,950</u>
Fund of the academy:					
Restricted income funds					
- Fixed asset fund	16		3,240		2,479
- Restricted Income Fund	16		288		815
- Pension reserve	16		<u>(1,147)</u>		<u>(545)</u>
Total restricted funds			<u>2,381</u>		<u>2,749</u>
Unrestricted income funds					
- General fund(s)			258		201
Total funds			<u>2,639</u>		<u>2,950</u>

The financial statements on pages 28 to 51 were approved by the Board of Trustees, and authorised for issue on 23 November 2016 and are signed on their behalf by:

[Signed]



A Frith [Chair]

Roseacre Primary Academy

Statement of Cash Flows for the Year Ended 31 August 2016

	Notes	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	216	314
Cash flows from investing activities	21	(551)	(6)
Change in cash and cash equivalents in the reporting period		<u>(335)</u>	<u>308</u>
Cash and cash equivalents at 1 September 2015		1,301	993
Cash and cash equivalents at 31 August 2016		<u>966</u>	<u>1,301</u>

Roseacre Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016

1. Statement of Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006.

Roseacre Academy Trust meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Roseacre Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Roseacre Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']:

Reconciliations to previous UK GAAP for the comparative figures are shown below.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards. [Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.]

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income / (expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1. Statement of Accounting Policies (continued)

Reconciliation of total funds

	Notes	01 Sep 2014 £000	31 Aug 2015 £000
Total funds under previous UK GAAP		2,735	2,950
Employee benefits accrual	B	0	0
Total reported under FRS102		<u>2,735</u>	<u>2,950</u>

Reconciliation of net income / (expenditure)

	Notes	31 August 2015 £000
Net income / (expenditure) previously reported under UK GAAP		225
Change in recognition of LGPS interest cost	A	(10)
Employee benefits accrual	B	0
		<u>215</u>

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £10,000 and increase the debit/credit in other recognised gains and losses in the SoFA by an equivalent amount.

B – Recognition of outstanding employee benefits

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term holiday benefits are recognised as a liability and an expense. Certain employees are entitled to carry forward any unused holiday entitlement at the reporting date. A review at 31 August 2016 showed no material holiday entitlement and as a result no provisions have been recognised in the accounts.

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 company to

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1. Statement of Accounting Policies (continued)

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 and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

The General Annual Grant (GAG), paid to the Academy by the Education Funding Agency (EFA), provides the main source of funding for the Academy to undertake its educational objectives. Pupil Premium is a grant paid by the EFA to provide additional support for pupils in receipt of free school meals, service children and looked after children. GAG and Pupil Premium is recognised in full in the year in which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. The fixed asset grant is the Devolved Formula Capital Grant which can be spent on ICT and fixed assets over a rolling three year period. Any unspent amounts of capital grant are reflected in the balance of the restricted fixed asset fund.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where receipt is probable and the amount can be reliably measured.

- **Other income**

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

- **Donated goods, facilities and services**

The value of donated goods, facilities and services 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 donation 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 academy trust's policies.

- **Land and Buildings**

The land and buildings have been transferred to the Academy on conversion on a long-term basis under a lease at peppercorn rental. The accounting treatment is in line with the relevant Statement of Standard Accounting Practice (SSAP21) and Financial Reporting Standard (FRS5). Under the terms

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1. Statement of Accounting Policies (continued)

of the lease all the risks and rewards of ownership of the assets are transferred to the Academy trust and therefore, they are recognised on the balance sheet as a fixed asset with a corresponding entry to voluntary income as a gift in kind. A fair value of the assets has been determined based on the most recent valuation undertaken by the Local Authority (Lessor). The value of the school buildings will be depreciated in accordance with the Academy Trust's depreciation policy.

Resources Expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes all of the fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

Asset Type	Period of Depreciation (years)
Long leasehold land & buildings	Straight line over the remaining life of the lease
Fixtures, furniture and equipment	10
ICT equipment	3

**Notes to the Financial Statements for the Year Ended 31 August 2016
(continued)**

1. Statement of Accounting Policies (continued)

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

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event; it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Stationery, educational resources and first aid supply stocks are valued at the lower of cost or net realisable value.

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.

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.

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 quadrennial valuations using a prospective unit credit method. As stated in Note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit method and discounted at a rate equivalent to the current

**Notes to the Financial Statements for the Year Ended 31 August 2016
(continued)**

1. Statement of Accounting Policies (continued)

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 the costs of scheme introductions, benefit charges, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit/liability is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets and the actual return on scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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 governors.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual facts. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions which are disclosed in Note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability as 31 August 2016. Any differences between the figures derived from the roll forward approach and the full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Significant accounting estimates include depreciation which is discussed further on page 34.

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was not subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next.

3. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 £000
Capital Grants	0	0	129	129	12
Gifts in kind	0	0	0	0	8
Donations	0	2	0	2	4
	0	2	129	131	24

The income from donations and capital grants was £130,448 (2015: £23,773) of which £nil unrestricted (2015: £nil), £1,745 restricted (2015: £4,085) and £128,743 was restricted fixed assets (2015: £19,688)

4. Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 £000
DfE / EFA revenue grants					
- General Annual Grant (GAG)	0	2,157	0	2,157	2,115
- Other DfE / EFA Grants	0	303	0	303	417
	0	2,460	0	2,460	2,532
Other Government Grants					
- Local authority grants	0	45	0	45	0
	0	45	0	45	0
Other income from the academy trust's educational operations					
	0	10	0	10	1
	0	10	0	10	1
	0	2,515	0	2,515	2,533

The income from the trust's educational operations was £2,514,147 (2015: £2,532,086) of which £nil is unrestricted (2015: £nil), £2,514,147 is restricted (2015: £2,520,490) and £nil is restricted fixed asset (2015: £11,596)

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

5. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Catering Income	21	0	21	49
Hire of Facilities	13	0	13	12
Out of School Groups	60	0	60	54
Other Activities	51	1	52	38
	<u>145</u>	<u>1</u>	<u>146</u>	<u>153</u>

The income from other trading activities was £145,664 (2015:£142,243) of which £144,745 is unrestricted (2015: £134,971), £919 is restricted (2015:£7,272) and £nil is restricted fixed asset (2015: £nil)

6. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	3	0	3	1
	<u>3</u>	<u>0</u>	<u>3</u>	<u>1</u>

Investment income was £2,371 (2015:£1,067) of which £2,371 is unrestricted (2015: £1,067), £nil is restricted (2015:£nil) and £nil is restricted fixed asset (2015: £nil)

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

7. Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other Costs	2016	2015
	£000	£000	£000	£000	£000
Expenditure on raising funds	40	0	50	90	48
Academy's educational operations					
- Direct costs	1,681	0	152	1,833	1,833
- Allocated support costs	256	133	227	616	567
	1,977	133	429	2,539	2,448

Net income/(expenditure for the period includes:

	2016	2015
	£000	£000
Operating leases	7	5
Depreciation	45	55
(Gain)/loss on disposal of fixed assets	0	(5)
Fees payable to auditor - audit	5	4
other services	2	3

Total expenditure was £2,537,997 (2015: £2,462,945) of which £1,976,642 was staff costs (2015: £1,889,782), £133,074 was premises (2015: £120,193) and £428,281 was other costs (2015: £452,970)

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8. Charitable activities

		Total 2016 £000	Total 2015 £000
Direct costs - educational operations		1,833	1,833
Support costs - educational operations		616	582
		2,449	2,415

Analysis of support costs	Educational Operations	Total 2016	Total 2015
Support staff costs	256	256	225
Depreciation	19	19	20
Maintenance of premises and equipment	136	136	53
Technology	18	18	18
Other support costs	174	174	252
Governance	13	13	15
	616	616	583

The total expenditure on charitable activities was £2,448,323 (2015: £2,339,903) all of which was restricted.

9. Staff

a. Staff costs

	Total 2016 £000	Total 2015 £000
Staff costs during the period were:		
Wages and salaries	1,478	1487
Social security costs	111	101
Operating costs of defined benefit pension scheme	337	219
	1,926	1807
Supply teacher costs	48	67
Staff restructuring costs	3	13
	1,977	1887

Staff restructuring costs comprise:		
Redundancy payments	0	13
Severance payments	0	0
Other restructuring costs	0	0
	0	0

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

b. Staff numbers

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

	2016	2015
	No.	No.
Teachers	22	25
Administration and support	27	26
Management	6	6
	<u>55</u>	<u>57</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016	2015
	No.	No.
£60,001 - £70,000	2	2

d. Key management personnel

The key management personnel of the academy trust comprises the trustees and senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £387,701 (2015: £342,927)

10. Related Party Transactions – Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contract of employment.

J Carroll (principal and trustee)

Remuneration £65,000 - £70,000 (2015: £65,000 - £70,000)

Employer's Pension Contribution £10,000 - £15,000 (2015: £5,000 - £10,000)

S Tabeart

Remuneration £10,000 - £15,000 (2015: £10,000 - £15,000)

Employer's Pension Contribution £0,000 - £5,000 (2015: £0,000 - £5,000)

A Conuel

Remuneration £35,000 - £40,000 (2015: £35,000 - £40,000)

Employer's Pension Contribution £5,000 - £10,000 (2015: £5,000 - £10,000)

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

K Kosogorin

Remuneration £20,000 - £25,000 (2015: n/a)

Employer's Pension Contribution £0,000 - £5,000 (2015: n/a)

During the period ended 31 August 2016, no travel and subsistence were reimbursed or paid directly to trustees (2015: £0).

11. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £75 (2015: £75).

The cost of this insurance is included in the total insurance cost.

12. Tangible fixed assets

	Leasehold Land & Buildings £000	Furniture & Equipment £000	Computer Equipment £000	Total £000
Cost				
At 31 August 2015	2,411	73	84	2,568
Additions	674	0	8	682
Disposals	0	0	0	0
At 31 August 2016	3,085	73	92	3,250
Depreciation				
At 31 August 2015	58	21	60	139
Charged in year	19	7	18	44
Disposals	0	0	0	0
At 31 August 2016	77	28	78	183
Net Book Values				
At 31 August 2016	3,008	45	14	3,067
At 31 August 2015	2,353	52	24	2,429

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

13. Stock

	2016 £000	2015 £000
Stationery	6	8
	<u>6</u>	<u>8</u>

14. Debtors

	2016 £000	2015 £000
VAT Recoverable	57	13
Prepayments and accrued income	55	53
	<u>112</u>	<u>66</u>

15. Creditors: amounts falling due within one year

	£000	£000
Trade creditors	30	98
PAYE & NIC creditor	33	31
Other creditors	9	29
Accruals and deferred income	293	151
	<u>365</u>	<u>309</u>

Deferred income

	2016 £000	2015 £000
Deferred income at 1 September 2015	71	118
Resources deferred in the year	69	71
Amounts released from previous years	(71)	(118)
Deferred income at 31 August 2016	<u>69</u>	<u>71</u>

**Notes to the Financial Statements for the Year Ended 31 August 2016
(continued)**

16. Funds

	Balance at 1 September 2015 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	53	2,157	(2,051)	0	159
Start Up Grant	0	0	0	0	0
Pupil Premium	0	189	(183)	0	6
Other DfE/EFA Grants	226	114	(94)	(167)	79
Other Grants	536	58	(42)	(508)	44
Pension Reserve	(545)	0	(35)	(567)	(1,147)
	<u>270</u>	<u>2,518</u>	<u>(2,405)</u>	<u>(1,242)</u>	<u>(859)</u>
Restricted fixed asset funds					
Transfer on conversion	2,481	0	0	0	2,481
DfE/EFA capital grants	(1)	129	(44)	0	84
Capital expenditure from GAG	0	0	0	675	675
Private sector capital sponsorship	0	0	0	0	0
	<u>2,480</u>	<u>129</u>	<u>(44)</u>	<u>675</u>	<u>3,240</u>
Total restricted funds	<u>2,750</u>	<u>2,647</u>	<u>(2,449)</u>	<u>(567)</u>	<u>2,381</u>
Total unrestricted funds	<u>200</u>	<u>148</u>	<u>(90)</u>	<u>0</u>	<u>258</u>
Total funds	<u>2,950</u>	<u>2,795</u>	<u>(2,539)</u>	<u>(567)</u>	<u>2,639</u>

Transfers between funds were actioned as follows:

£674,806 from the restricted general funds to the restricted fixed asset funds to cover the capital costs of building refurbishment.

The unrestricted fund balance has arisen from a surplus of unrestricted income over related expenditure. The fund is mainly derived from the trust's trading activities and out of school provision. The funds are available for any purpose at the trustees' discretion.

The restricted general fund balance has arisen from a surplus of restricted income over related expenditure since conversion and includes reserves paid over from the local authority. Use of these funds is restricted in line with the terms and conditions of individual grants.

The restricted fixed asset fund balance has arisen from the value of assets donated on conversion and subsequently, plus capital grants and donations less related depreciation. Use of the fund is restricted to capital purposes.

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

17. Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2016 Total Funds £000
Tangible fixed assets	0	0	3,067	3,067
Current assets	258	655	172	1,085
Current liabilities	0	(366)	0	(366)
Pension scheme liability	0	(1,147)	0	(1,147)
Total net assets	258	(858)	3,239	2,639

18. Capital commitments

	2016 £000	2015 £000
Contracted for but not provided in the financial statements	220	0

19. Commitments under operating leases

As at 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	2015 £000
<u>Other</u>		
Amounts due one year	9	3
Amounts due between two and five years inclusive	12	12
	21	15

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

20. Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2016 £000	2015 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	255	225
Depreciation (Note 12)	44	54
Capital gifts in kind	0	(8)
Capital grants from DfE and other capital income	(129)	(12)
Profit/Loss on Disposal of Fixed Assets (Note 12)	0	5
Interest receivable (Note 6)	(2)	(1)
Defined benefit pension scheme obligation inherited	0	0
Defined benefit pension scheme cost less contributions payable (note 26)	14	11
Defined benefit pension scheme finance cost (note 26)	21	11
(Increase)/decrease in stocks	2	(3)
(Increase)/decrease in debtors	(46)	4
Increase/(decrease) in creditors	57	28
Net cash inflow from operating activities	216	314

21. Cash flows from financing activities

	2016 £000	2015 £000
Interest received	2	1
Purchase of tangible fixed assets	(682)	(19)
Capital grants from DfE / EFA	129	12
Net cash inflow from returns on investment and servicing of finance	(551)	(6)

22. Analysis of cash and cash equivalents

	At 31 August 2015 £000	Cash flows £000	At 31 August 2016 £000
Cash in hand and at bank	1,301	(335)	966
	1,301	(335)	966

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

23. Guarantees, letters of comfort and indemnities

There are no guarantees, letters of comfort or indemnities

24. Contingent liabilities

There are no contingent liabilities

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. Pension and similar obligations

The academy'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 Lancashire County Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £8,510 (2015: £27,827) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teacher's 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 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

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

26. Pension and similar obligations (continued)

2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation at subsequent consultation are:

- Employer contributions rates set at 16.48% of pensionable pay (including 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 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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be 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 TPS in the period amounted to £179,162 (2015: £130,868).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, 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 contribution made for the year ended 31 August 2016 was £108,080 (2015: £86,591), of which employer's contributions totalled £70,896 (2015: £61,335) and employees' contributions totalled £26,729 (2015: £25,256). The agreed contribution rates for future years are 13.4 per cent for employers and will range between 5.5 per cent and 9.9 per cent for employees dependant on their salary.

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 of Education. The guarantee came into force on 18 July 2013.

The pension scheme is in deficit and an agreement had been reached whereby Roseacre Primary Academy will make additional lump sum contributions annually. These figures have been agreed for the 3 years starting April 2014 and ending March 2017 when a further review will take place. Contributions of £19,633 have been made in 2015-16.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

26. Pension and similar obligations (continued)

Principle actuarial assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.4%	3.7%
Rate of increase for pensions in payment / inflation	2.0%	2.2%
Inflation assumption CPI	1.9%	2.2%
Rate of increase for pensions in payment / inflation	2.0%	2.2%
Discount rate for scheme liabilities	4.0%	2.2%

** an adjustment has been made for short term pay restraint in line with the latest actuarial valuation*

A sensitivity analysis for the principal assumptions used to measure scheme liabilities, shows that an increase of 0.1% per annum in the discount rate would reduce the deficit by £56,000. An increase of 0.1% per annum in inflation would increase the pension deficit by £57,000, an increase of 0.1% per annum pay growth would increase the deficit by £27,000 and an increase of 1 year in life expectancy would increase the deficit by £37,000.

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.0	22.9
Females	25.6	25.4
<i>Retiring in 20 years</i>		
Males	25.2	25.1
Females	27.9	27.8

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

26. Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme and were:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	375	238
Bonds	0	38
Other bonds	24	18
Property	92	63
Cash liquidity	34	9
Other	445	325
Total market value of assets	970	691

The actual return on scheme assets was £185,000 (2015: £24,000 or FRS102 £26,000)

Amount recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	70	65
Net interest cost	21	19
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	567	3
Total operating charge	658	87

Changes in the present value of defined benefit obligations were as follows:

	2016 £000	2015 £000
At 1 September	1236	1,082
Current service cost	96	89
Interest cost	51	43
Employee contributions	26	24
Actuarial (gain) / loss	720	0
Benefits paid	(12)	(2)
Plan introductions, benefit changes, curtailment and settlements	0	0
At 31 August	2117	1,236

Roseacre Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

26. Pension and similar obligations (continued)

	2016 £000	2015 £000
At 1 September	691	569
Interest Income	30	25
Remeasurements	155	1
Administration Expenses	(2)	(2)
Employer contributions	82	76
Employee contributions	26	24
Benefits paid	(12)	(2)
Plan introductions, benefit changes, curtailment and settlements	0	0
At 31 August	970	691

Changes in the fair value of academy trust's share of scheme assets

27. Related Party Transactions

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

28. Events after the balance sheet date

The academy has entered into a contract for building works as mentioned in note 18. The total contract value is £881,762 of which the final £219,955 will be paid on completion which is expected to be the end of October 2016.