

**Ripley St Thomas Church of England Academy
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

For the year ended 31 August 2014

**Company Registration Number:
07588464 (England and Wales)**

Ripley St Thomas Church of England Academy

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Ripley St Thomas Church of England Academy

Reference and administrative details

Members	Prof J Crewdson Rev P Lock Rev C Newlands Mrs E Nicholls Mrs H Roff Rev J Scamman
Trustees	Mrs L Appleyard Mr D Bateman Mrs R Buckland Mr K Carman Mrs K Chamberlain (Appointed 21 July 2014) Mr S Coates (Resigned 1 May 2014) Prof J Crewdson (Chairman) Cllr S Denwood (Resigned 2 July 2014) Dr P Gager Mrs J Garnett Rev M Gisbourne Mrs M Humphreys (Appointed 4 April 2014) Mrs A Kinder Mrs S Lane-Dixon Dr L Louden (Vice Chairman) Mr P Marshall Rev C Newlands Mrs E Nicholls (Accounting Officer) Rev J Scamman Mr C Whiteside Cllr V Wilson
Senior Leadership Team	Mrs E Nicholls (Principal) Mr M Wood (Senior Vice Principal) Mrs A Bray (Vice Principal) Mr I Gomersall (Vice Principal) Mrs C Walmsley (Assistant Principal) Mr M Sim (Head of Sixth Form) Mrs S Edwards (Director of Business & Finance) Mrs J Bostock (Director of Teaching School) Mr J Cowper (Senior Leader) Mr A Korab (Senior Leader)
Registered Office	Ashton Road Lancaster LA1 4RS
Company Registration Number	07588464
Auditors	Colman, Whittaker and Roscow The Close Queen Square Lancaster LA1 1RS

Ripley St Thomas Church of England Academy

Reference and administrative details (cont.)

Bankers	Lloyds Bank PLC 49 Market Street Lancaster LA1 1JH
Solicitors	Browne Jacobson Ground Floor Piccadilly Place Manchester M1 3BN

Ripley St Thomas Church of England Academy

Trustees' Report

The Trustees present their annual report together with the audited financial statements of the Academy Trust (the Academy) for the period from 1 September 2013 to the 31 August 2014. The annual report serves the purposes of both a Trustees' report, and a directors' report including a strategic report under company law.

The Trust operates an Academy for pupils aged 11-18 in Lancaster, Lancashire. It had 1719 pupils on roll in the school census on 16 January 2014.

1 Structure, Governance and Management

1.1 Constitution

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

The Governors act as the Trustees of Ripley St Thomas Church of England Academy and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Ripley St Thomas Church of England Academy.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

1.2 Members' Liability

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

1.3 Trustees' Indemnities

The Trustees' are indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £2m.

1.4 Trustees

In total the Academy has six Members. The Articles of Association require the Members of the charitable company to appoint a minimum of eleven Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

The Governors act as the Trustees for the charitable activities of the Academy Trust and are also the Directors of the charitable company for the purpose of company law.

During the year under review the Trustees held three Full Governing Body meetings and between two and four meetings of each of the main sub committees, Admissions; Curriculum; Buildings, Grounds and Health & Safety; Pupil Discipline; Staffing; and Finance. The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees will be given a tour of the Academy and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. All Trustees receive copies of all minutes and new Trustees are invited to attend sub-committee meetings. A named Trustee has responsibility for training and Trustees are encouraged to access training courses provided by the Local Authority (LA).

Composition of Trustees

The following categories are applicable to the Governing Body at Ripley St Thomas Church of England Academy:

- Parent Trustees: parents of children at the school;
- Staff Trustees: members of the school staff;
- Foundation Trustees;
- Co-opted Trustees.

Ripley St Thomas Church of England Academy

Trustees' Report (continued)

1.4 Trustees (continued)

The number of Trustees shall not be less than three but shall not be subject to any maximum. The Academy may also have any Co-opted Trustee(s) appointed under Article 59.

Appointment of Trustees

The Members appoint a minimum of eleven Trustees of whom:

- I. A minimum of three are appointed by the Diocesan Board of Education;
- II. A minimum of four are nominated by the Parochial Church Councils;
- III. The Principal shall be a Trustee Ex-Officio;
- IV. A minimum of four are appointed by the Chair of the Ripley Trust;
- V. Up to three Co-opted Trustees.

The proportions of the Governing Body at Ripley St Thomas Church of England Academy are as follows:

- Three Staff Trustees, appointed by the Members through such a process as they may determine. The Members shall make all necessary arrangements for, and determine all matters relating to, an election of the Staff Trustees;
- Two Parent Trustees, elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he/she is elected. The Members shall make all necessary arrangements for, and determine all matters relating to, an election of the Parent Trustees. Any election of Parent Trustees which is contested shall be held by secret ballot. Arrangements for the election shall provide, for every person entitled to vote, an opportunity by post or, if they prefer, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy;
- The Principal, treated for all purposes as an Ex Officio Trustee;
- Three Trustees appointed by the Diocesan Board of Education;
- Four Trustees appointed by the Chair of the Ripley Trust;
- Four Trustees, appointed by the Parochial Church Councils of Lancaster St Mary, and Lancaster St Thomas;
- Three co-opted Trustees.

1.5 Organisational Structure

The Trustees 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 all staff appointments.

The Academy Senior Leadership team consisted of the Principal, a Senior Vice Principal, two Vice Principals, an Assistant Principal, Head of Sixth Form, Director of Business and Finance, Director of Teaching School and two Senior Leaders. These Managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Leadership Team always contain a Trustee.

2 Objectives and Activities

2.1 Objects and Aims

The principal object and activity of the charitable company is the operation of the Ripley St Thomas Church of England Academy to provide education for pupils of mixed abilities between the ages of 11 and 18.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy.

The main objectives of the Academy during the year ended 31 August 2014 are summarised in the Academy's Mission Statement:

"As a worshipping community, witnessing to the Christian faith in all the Academy's activities, Ripley St Thomas aims to develop to the full academic, spiritual, aesthetic and physical potential of each pupil, encouraging in all its members a real and living faith in God."

Trustees' Report (continued)

2.1 Objects and Aims (continued)

Our Christian ethos remains at the heart of all we do and is the foundation for all our activities. We encourage all our young people to explore the big issues of life and develop a living faith to sustain them through the ups and downs of their lives. A chaplain is employed to direct and support our communal Christian life together. Our day begins and ends with prayer, all year groups meet together twice weekly for worship and we regularly worship in our local churches. The Academy puts great emphasis on service and our young people are involved in local, national and international charity projects, raising significant sums of money each year for those in need.

In addition, the Academy aims to:

- Provide value for money for the funds expended
- Comply with all appropriate statutory and curriculum requirements
- Conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

2.2 Objectives, Strategies and Activities

The Academy's strategic activities have included:

- Tuition and learning opportunities for all students appropriate to their ability in order to attain academic and vocational qualifications
- Development opportunities for all staff
- A comprehensive programme of extra-curricular activities and trips and visits for students
- Careers advice and guidance to help students move to the next stage of their education
- Opportunities for parents and guardians to work in partnership with the Academy

The Trustees recognise that equal opportunities should be an integral part of all good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

2.3 Public Benefit

The Trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Ripley St Thomas Church of England Academy is the maintenance and development of the high quality Christian education provided by the Academy.

In doing this Ripley St Thomas Church of England Academy not only offers a broadly-based academic education but aims to educate the whole individual. A very wide range of extra-curricular activities, educational trips, visits and foreign trips is offered and undertaken.

Strategic Report

3 Achievements and Performance

This is a momentous year for Ripley as we celebrate our 150th anniversary. Celebrations have included an open weekend, an open air service with the Archbishop of York, a gala dinner and a special birthday celebration on 3 November, the date on which the school was opened. We have much to be grateful for and much to celebrate; we trust that we are doing our part to preserve the legacy left by Julia and Thomas Ripley.

The educational environment continues to be turbulent with piecemeal changes to the examination system. Nonetheless, results improved significantly this year at GCSE and are consistent with an Ofsted Outstanding grading. English results reversed the decline of the past two years and increased by 10% to 85% A*-C. Maths continues to deliver excellent outcomes at GCSE with 90% of pupils achieving A*-C grades. A and AS level results were broadly similar to the year before. The gap in achievement between pupils in receipt of the pupil premium and other students narrowed significantly.

The number of students on roll continues to increase with the total number now having passed the 1700 mark, with 400 of these in the sixth form. The extra-curricular life of the Academy, one of the strengths of Ripley, continues to grow with the addition of an Australian Exchange and the Duke of Edinburgh award, with 14 students travelling to St James's Palace to receive Gold Awards this year.

Trustees' Report (continued)

3 Achievements and Performance (continued)

We have improved our estate over the last year with a new award-winning build comprising a learning resources centre, a mini lecture theatre and a professional learning centre integrated into our beautiful Lodge building. A further extension to the sixth form has been completed, with 2 additional classrooms and an extended silent study area.

The Academy continues to pursue excellence in all aspects of its life, with high expectations and a culture of hard work at its core. Our priorities for this year include a continuing focus on literacy across the Academy with a particular emphasis on those who enter year 7 with levels of achievement lower than national norms.

The Academy is fortunate to have a committed and dedicated staff and governing body who understand that every child matters and are willing to do whatever it takes to enable young people to achieve. We look forward to a productive and positive year ahead.

3.1 Key Performance Indicators

	Total £000	% of Total	Per Pupil £	Comparative Per Pupil Median £ *
Total income (2014)	9,498	-	5,525	-
Total income (2013)	8,960	-	5,365	5,944
Grant funding (2014)	8,799	93%	5,119	-
Grant funding (2013)	8,341	93%	4,995	5,461
Generated funds (2014)	699	7%	407	-
Generated funds (2013)	619	7%	371	330
Total costs (2014)	8,277	-	4,815	-
Total costs (2013)	8,300	-	4,970	5,825
Teachers salaries (2014)	4,559	55%	2,652	-
Teachers salaries (2013)	4,467	54%	2,675	2,924
Educational support salaries (2014)	756	9%	440	-
Educational support salaries (2013)	720	9%	431	472
Premises salaries (2014)	111	1%	65	-
Premises salaries (2013)	111	1%	66	116
Back office salaries (2014)	412	5%	240	-
Back office salaries (2013)	378	5%	226	337
Educational supplies including ICT (2014)	419	5%	244	-
Educational supplies including ICT (2013)	363	4%	217	335
Maintenance of premises (2014) **	434	5%	252	-
Maintenance of premises (2013) **	693	8%	415	157

* Comparative group for median: Non selective academies outside London with sixth forms and low FSM (Source Zal'pha).

** Maintenance of premises includes substantial roofing repair work which was funded through the Academies Capital Maintenance Fund. This amounted to £261,086 for the year ended 31 August 2014 (2013: £405,182).

Trustees' Report (continued)

3.1 Key Performance Indicators (continued)

The average salary cost (including employers' on-costs) per teacher remains the same as last year at £47,000. The pupil / teacher ratio also remains the same as last year at 18, which is above the median for comparison of 16. The teacher / other staff ratio remains similar to last year at 1.8 (2013: 1.9) which is well above the median for comparison of 1.4.

3.2 Going Concern

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

4 Financial Review

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objectives of the Academy. The GAG received during the period covered by this report and the associated expenditure is shown as restricted funds in the statement of financial activities.

On conversion to an academy on the 1 May 2011, all of the fixed assets of the former school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in note 1 to the Financial Statements.

Incoming resources for the year totalled £9.5m, which is an increase of 6% on the previous year. This is the result of a 4.5% increase in the GAG in addition to Teaching School Grants and Academies Capital Maintenance Funding. Generated income has increased as a result of expansion of Teaching School activity during the year and an increase in trip income.

Restricted expenditure for the period covered by this report was more than covered by the GAG received from the DfE together with other restricted incoming resources.

For the year ending 31 August 2014 the surplus of total income over expenditure, before other recognised gains and losses, equated to £1.2m (2013 Restated - £660,000). This is the result of detailed and accurate budgeting and tight budgetary control procedures which have been firmly embedded in the Academy's daily financial management. The surplus has been invested in the construction of the Lodge Development and Sixth Form Extension.

The net income on the unrestricted funds equates to £100,000 and represents surpluses made on Activities for Generating Funds, primarily on Teaching School activities, lettings and the sale of goods and services.

At 31 August 2014 the Academy held revenue fund balances of £696,000 (2013 - £1,004,000) comprising £245,000 of restricted general funds (2013 - £653,000) and £451,000 of unrestricted funds (2013 - £351,000). In addition to this the pension reserve shows a deficit of £1.1m (2013 - £1.2m) and the Diocese of Blackburn balance stands at £417,000 (2013 - £520,000).

The Trustees remain concerned with the large deficit that the Local Government Pension Fund is reporting, (See note 27 to the Financial Statements) but are aware of the deficit recovery programme now in place.

At 31 August 2014 the Academy held an unspent capital fund balance of £404,000 which is the Academies Capital Maintenance Funding for a replacement science block and partially completed roofing repair works. Should this work not go ahead then any remaining funding would be required to be repaid to the EFA.

4.1 Reserves Policy

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.

Under its Funding Agreement with the Secretary of State for Education Ripley St Thomas Church of England Academy is permitted to hold unlimited reserves at the year end.

Trustees' Report (continued)

4.1 Reserves Policy (continued)

The Trustees' Finance Committee has reviewed these reserve levels and believes that they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected emergencies. The Academy will maintain free reserves at a minimum level of 2% of GAG up to a maximum of 10% of GAG as an appropriate cushion.

As at 31 August 2014 the Trustees consider that the Academy's reserves of GAG and unrestricted funds held are satisfactory for the level of the Academy's operations.

4.2 Investment Policy

The Academy aims to manage cash balances to provide the working capital required for its day-to-day operations, whilst protecting the long-term value of any surpluses against inflation. The Academy therefore aims to invest surplus cash funds in a way that optimises returns whilst ensuring there is minimal risk of loss of these funds.

In order to make the best use of surplus cash funds to generate additional income the Academy must ensure the following objectives are met:

- Manage cash flow to ensure that sufficient cash balances are maintained in the current account to cover the working capital requirements of the Academy.
- Ensure there is minimal risk to loss of the capital value of any cash funds invested by ensuring that the Academy is only exposed to low risk investments.
- Protect the capital value of the invested funds against inflation.
- Ensure optimum returns on the funds invested.
- Ensure that income generated from investments is used for furthering the Academy's aims.
- Investments must be placed with FSA registered companies.
- The Principal is responsible for the management of investments, with responsibility delegated to the Director of Business & Finance.

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

Where cash flow forecasts indicate that a base level of cash funds will be surplus to the day-to-day requirements of the Academy these funds may be invested following approval by the Finance Committee.

In making decisions with regard to investment options the Director of Business & Finance will compare interest rates and returns across the market to ensure the Academy is getting a fair return, having due regard for the economic situation at that time.

In general the cash shall be invested in short term investment accounts, with an average duration of less than one year. Proposal for longer term investments would need further approval of the Finance Committee.

5 Principal Risks and Uncertainties

The continuing existence of the Academy can best be guaranteed by the standards of education in its widest sense, which it provides. This is the preferred school for many families who could easily favour another. Anything less than oversubscription could signal the beginning of financial and educational problems.

The principal risk to the Academy is the maintenance of pupil numbers as funding is directly related to the number of pupils on roll. Emerging risks include the sharp rise in the cost of travel as this is an increasing barrier to parents opting to send their children to the Academy and the forthcoming rises in employer costs. These coupled with the cuts to sixth form funding and the Education Services Grant are likely to affect our ability to develop facilities and offer our usual breadth of curriculum.

Trustees' Report (continued)

5.1 Risk Management

The Trustees have assessed the major risks to which the Academy is exposed. The Trustees have implemented a number of systems to assess risks in the operational areas of the Academy and in relation to the control of finance. A Risk Register has been completed and is reviewed annually.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

With regards to the substantial rises in employer costs and cuts in funding the Academy has put plans into place to discontinue a number of A-Level and GCSE subjects and cut back building plans radically. It is not possible to increase pupil numbers any further.

6 Plans for Future Periods

Ripley St Thomas Church of England Academy will continue to work to maintain the performance of its students at all levels. Additionally, it will continue to look at the curriculum content to ensure future pathways for students, particularly in the light of curriculum change and financial constraints.

Ripley has been designated a SCITT (School Centred Initial Teacher Training); as such we can now train teachers and award QTS (Qualified Teacher Status). This means we no longer have to work with a Higher Education Institution. We have been awarded 30 places for 2015-2016 and recruitment is already well underway.

Ripley St Thomas Church of England Academy aims to continue to develop its profile regionally and nationally. It remains focussed on delivering outstanding teaching and learning through ensuring staff are highly trained. It continues in its ambition to raise even further, better outcomes for our students in both terminal examinations and levels of progress. It re-emphasises the total commitment of Trustees and leaders to ensure all students have full religious education lessons and a rich Christian educational experience.

The Trustees recognise that through outstanding financial management over the past four years they have been able to invest in and improve very significantly the quality of the building environment and the upgrading of many areas of the Academy. They have ambition for this to continue but recognise however, that future plans will be dependent on funding availability.

Trustees have ambition to develop the site even further to enable more young people to experience the outstanding Christian education on offer at Ripley St Thomas Church of England Academy.

7 Auditor

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on the 11/11/14 and signed on the board's behalf by:


.....
Prof J Crewdson
Chair of Trustees

Ripley St Thomas Church of England Academy

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to 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 Ripley St Thomas Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that information described in the Trustees' Report and in the Statement of Trustees Responsibilities.

Trustees are allocated to Committees which are as follows: Admissions; Buildings, Grounds and Health & Safety; Curriculum; Pupil Discipline; Finance, Staffing, Other ad hoc committees are convened as and when needed. These committees meet on a regular termly cycle.

The Governing Body has formally met three times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L Appleyard	2	3
Mr D Bateman	2	3
Mrs R Buckland	3	3
Mr K Carman	2	3
Mr S Coates (Resigned 1 May 2014)	0	2
Prof J Crewdson (Chairman)	3	3
Cllr S Denwood (Resigned 2 July 2014)	1	3
Dr P Gager	3	3
Mrs J Garnett	3	3
Rev M Gisbourne	2	3
Mrs M Humphreys (Appointed 4 April 2014)	1	1
Mrs A Kinder	2	3
Mrs S Lane-Dixon	3	3
Dr L Louden (Vice Chairman)	3	3
Mr P Marshall	3	3
Rev C Newlands	2	3
Mrs E Nicholls (Accounting Officer)	3	3
Rev J Scamman	2	3
Mr C Whiteside	3	3
Cllr V Wilson	3	3

The Finance Committee is a sub-committee of the Governing Body and formally met three times during the year. Trustee attendance during the year at meetings of the Finance Committee was as follows:

Trustee	Meetings attended	Out of a possible
Prof J Crewdson	3	3
Dr P Gager	3	3
Rev M Gisbourne	3	3
Mrs M Humphreys (Appointed 4 April 2014)	0	1
Dr L Louden (Finance Committee Chair)	2	3
Mrs E Nicholls (Accounting Officer)	3	3

Governance Statement (continued)

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

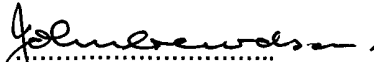
The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Mrs Judy Bateman as a Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The RO function has been fully delivered in line with the Educational Funding Agency's (EFA's) requirements and no material control issues arose as a result of the RO's work.


Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Senior Leadership Team within the academy who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the Board of Trustees on the 11/11/14 and signed on its behalf by:


.....
Prof J Crewdson
Chair of Trustees


.....
Mrs E Nicholls
Accounting Officer

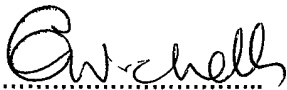
Ripley St Thomas Church of England Academy

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Ripley St Thomas Church of England Academy I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



.....
Mrs E Nicholls
Accounting Officer

Date: 11/11/14

Statement of Trustees' Financial Responsibilities

The Trustees (who act as Governors of Ripley St Thomas Church of England Academy are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction published by the Education Funding Agency.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to:


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

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

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

Approved by order of the Board of Trustees on the11/11/14..... and signed on its behalf by:


.....
Prof J Crewdson
Chair of Trustees

Independent Auditor's Report to the Members of Ripley St Thomas Church of England Academy

We have audited the financial statements of Ripley St Thomas Church of England Academy for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the Trustees (who are also the directors of the Academy Trust 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 Academy Trust'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 Trustees' 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 financial statements

In our opinion the financial statements:

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

Independent Auditor's Report to the Members of Ripley St Thomas Church of England Academy (continued)


Opinion on other matters prescribed by the Companies Act 2006

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

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 P Dennison FCCA (Senior Statutory Auditor)
For and on behalf of Colman Whittaker and Roscow
Statutory Auditor
The Close
Queen Square
Lancaster
LA1 1RS

Date: 8/12/14.....

Ripley St Thomas Church of England Academy

Independent Reporting Accountant's Assurance Report on Regularity to Ripley St Thomas Church of England Academy and the Education Funding Agency

In accordance with the terms of our engagement letter 18 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ripley St Thomas Church of England Academy Trust during the year 1 September 2013 to the 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Ripley St Thomas Church of England Academy's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Ripley St Thomas Church of England Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from the 1 September 2013 (updated October 2013), for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:


- Obtaining evidence including those tests relevant to the circumstances of the academy as prescribed in Section 10.4 of the Academies Accounts Direction 2013 to 2014 issued by the EFA in May 2014; and
- Planning and performing any additional tests we deemed necessary to express an opinion on regularity.

(continued)

Independent Reporting Accountant's Assurance Report on Regularity to Ripley St Thomas Church of England Academy and the Education Funding Agency (continued)

Conclusion

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


.....
Mr P Dennison FCCA (Senior Statutory Auditor)
For and on behalf of Colman Whittaker and Roscow
Statutory Auditor
The Close
Queen Square
Lancaster
LA1 1RS

Ripley St Thomas Church of England Academy

**Statement of Financial Activities for the year ended 31 August 2014
(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 2014 £000	Total 2013 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	51	29	85	165	139
Activities for generating funds	3	248	279	-	527	477
Investment income	4	7	-	-	7	3
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	8,149	650	8,799	8,341
Total incoming resources		306	8,457	735	9,498	8,960
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income	6	-	5	-	5	5
Fundraising trading	6	206	310	-	516	518
<i>Charitable activities:</i>						
Academy's educational operations	7	-	7,336	393	7,729	7,741
Governance costs	8	-	27	-	27	36
Total resources expended	6	206	7,678	393	8,277	8,300
Net incoming resources before transfers		100	779	342	1,221	660
Gross transfers between funds	17	-	(1,136)	1,136	-	-
Net income/(expenditure) for the year		100	(357)	1,478	1,221	660
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	17, 27	-	163	-	163	77
Net movement in funds		100	(194)	1,478	1,384	737
Reconciliation of funds						
Funds brought forward at 1 September 2013	17	351	(1,072)	10,120	9,399	8,662
Funds carried forward at 31 August 2014		451	(1,266)	11,598	10,783	9,399

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


A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Ripley St Thomas Church of England Academy

Balance sheet as at 31 August 2014

	Notes	2014 £000	2014 £000	2013 £000	2013 £000
Fixed assets					
Tangible assets	12		11,194		10,060
Current assets					
Stock	13	5		5	
Debtors	14	501		315	
Cash at bank and in hand		968		1,352	
		<u>1,474</u>		<u>1,672</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(476)</u>		<u>(711)</u>	
Net current assets			<u>998</u>		<u>961</u>
Total assets less current liabilities			12,192		11,021
Creditors: Amounts falling due after one year	16		(315)		(417)
Pension scheme liability	27		(1,094)		(1,205)
			<u>(1,409)</u>		<u>(1,622)</u>
Net assets including pension liability			<u>10,783</u>		<u>9,399</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund	17		11,598		10,120
General fund	17		(172)		133
Pension reserve	17		(1,094)		(1,205)
Total restricted funds			<u>10,332</u>		<u>9,048</u>
Unrestricted income funds					
General fund(s)	17		451		351
			<u>451</u>		<u>351</u>
Total funds			<u>10,783</u>		<u>9,399</u>

The financial statements on pages 20 to 21 were approved by the Trustees, and authorised for issue on the11/11/14..... and are signed on their behalf by:


 Prof J Crewdson
 Chair of Trustees

Company Limited by Guarantee
 Registration Number 07588464

Ripley St Thomas Church of England Academy

Cash Flow Statement for the year ended 31 August 2014

	Notes	2014 £000	2013 £000
Net cash inflow/(outflow) from operating activities	21	140	(56)
Returns on investments and servicing of finance	22	7	3
Capital expenditure	23	(531)	351
(Decrease)/Increase in cash in the year	24	<u>(384)</u>	<u>298</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		1,352	1,054
Net funds at 31 August 2014		<u>968</u>	<u>1,352</u>

Notes to the Financial Statements for the year ended 31 August 2014

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming Resources

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

- **Grants receivable**

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

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

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

- **Donations**

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

- **Other income**

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

- **Donated Services and Gifts in Kind**

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

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

On conversion the Academy entered into a lease agreement with the Trustees of Lancaster, Ripley Church of England Educational Trust who own the land from which the Academy operates. The length of this lease is

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

1 Accounting Policies (continued)

125 years. The buildings have been included within the financial statements at a valuation undertaken by the EFA in 2012.

Also on conversion the Academy inherited the fixtures and fittings and other tangible assets for the continued use of the Academy. It has been decided that the cost of putting a valuation on these assets would be disproportionate to the value of the information and so they are included at a £nil valuation. However the insurance replacement valuation on conversion was £3,478,750.

Resources Expended

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

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Long leasehold buildings	over the remainder of the 125 year lease straight line
Fixtures, fittings and equipment	33% straight line
Computer equipment	33% straight line
Motor Vehicles	25% straight line

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.

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

1 Accounting Policies (continued)

Leased Assets

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the Statement of Financial Activities on a straight line basis over the period of the lease.

Stock

Stock consists of unused stationery stores and is valued at the lower of cost and net realisable value.

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

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

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

Comparative Figures

Comparative figures within the Statement of Financial Activities and corresponding notes have been restated to reflect differences in the accounting and presentational treatment in the current period. There has been no impact upon the balance sheet or reserves.

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Capital grants	-	85	85	50
Other donations	51	29	80	89
	<u>51</u>	<u>114</u>	<u>165</u>	<u>139</u>

3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Hire of facilities	31	-	31	28
Sale of goods and services	91	-	91	138
Trip income	-	261	261	233
Catering income	3	-	3	5
Teaching School income	106	-	106	31
Supplies of staff	1	17	18	13
Other	16	1	17	29
	<u>248</u>	<u>279</u>	<u>527</u>	<u>477</u>

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Short term deposits	7	-	7	3
	<u>7</u>	<u>-</u>	<u>7</u>	<u>3</u>

5 Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	7,817	7,817	7,476
DfE/EFA capital grants	-	650	650	497
Other DfE/EFA grants	-	296	296	116
	<u>-</u>	<u>8,763</u>	<u>8,763</u>	<u>8,089</u>
Other Government grants				
Local authority grants	-	36	36	252
	<u>-</u>	<u>36</u>	<u>36</u>	<u>252</u>
	<u>-</u>	<u>8,799</u>	<u>8,799</u>	<u>8,341</u>

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure		Total 2014 £000	Total 2013 £000
		Premises £000	Other Costs £000		
Costs of generating voluntary income	5	-	-	5	5
Costs of activities for generating funds	126	16	374	516	518
Academy's educational operations					
Direct costs	5,294	76	771	6,141	5,937
Allocated support costs	487	795	306	1,588	1,804
	<u>5,912</u>	<u>887</u>	<u>1,451</u>	<u>8,250</u>	<u>8,264</u>
Governance costs including allocated support costs	21	-	6	27	36
	<u>5,933</u>	<u>887</u>	<u>1,457</u>	<u>8,277</u>	<u>8,300</u>

The method used for the apportionment of support costs is disclosed in the accounting policies.

2014
£000

2013
£000

Incoming/outgoing resources for the year include:

Operating leases		
Plant and machinery	<u>24</u>	<u>19</u>
	<u>24</u>	<u>19</u>

7 Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Direct costs – educational operations				
Teaching and educational support staff costs	-	5,294	5,294	5,201
Depreciation	-	119	119	110
Technology costs	-	129	129	109
Educational supplies	-	290	290	254
Examination fees	-	156	156	133
Staff development	-	37	37	54
Educational consultancy	-	20	20	8
Other direct costs	-	96	96	68
	<u>-</u>	<u>6,141</u>	<u>6,141</u>	<u>5,937</u>

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

7 Charitable Activities (continued)

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Support costs – educational operations				
Support staff costs	-	487	487	449
Depreciation	-	13	13	12
Technology costs	-	35	35	31
Recruitment and support	-	15	15	20
Maintenance of premises and equipment	-	434	434	693
Cleaning	-	108	108	98
Rent and rates	-	37	37	33
Energy costs	-	143	143	152
Insurance	-	65	65	65
Security and transport	-	4	4	3
Catering	-	22	22	18
Bank interest and charges	-	2	2	1
Other support costs	-	223	223	229
	-	1,588	1,588	1,804
Total direct and support costs	-	7,729	7,729	7,741

8 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Legal and professional fees	-	2	2	10
Auditor's remuneration				
• Audit of financial statements	-	3	3	3
• Other audit costs	-	1	1	1
Support staff costs	-	21	21	22
	-	27	27	36

9 Staff

(a) Staff costs

	2014 £000	2013 £000
Staff costs during the period were:		
Wages and salaries	4,806	4,707
Social security costs	366	357
Pension costs	707	671
	5,879	5,735
Supply staff costs	54	57
	5,933	5,792

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

9 Staff (continued)

(b) Staff numbers

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

	2014 No.	2013 No.
Charitable Activities		
Teachers	90	88
Administration and support	55	51
Management	7	7
	152	146

(c) Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2014 No.	2013 No.
£60,001 - £70,000	2	3
£70,001 - £80,000	1	-
£100,000 - £110,000	-	1
£110,000 - £120,000	1	-
	4	4

All of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for these staff amounted to £44,623 (2013: £43,490).

10 Related Party Transactions - Trustees' Remuneration and Expenses

The Principal and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration was as follows:

Mrs L Appleyard	£25,000 - £30,000 (2013: £25,000 - £30,000)
Mrs R Buckland	£20,000 - £25,000 (2013: £20,000 - £25,000)
Mr K Carman	£40,000 - £45,000 (2013: £45,000 - £50,000)
Mrs E Nicholls	£110,000 - £115,000 (2013: £105,000 - £110,000)

During the year ended 31 August 2014, travel and subsistence expenses totalling £594 (2013 - £562) were reimbursed to 1 Trustee (2013 - 1). Related party transactions involving the Trustees are set out in note 28.

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 2014 was £120 (2013: £226). The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

12 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 September 2013	10,198	72	48	7	10,325
Additions	1,175	57	34	-	1,266
Disposals	-	-	-	-	-
At 31 August 2014	11,373	129	82	7	11,591
Depreciation					
At 1 September 2013	187	46	28	4	265
Charged in year	84	29	17	2	132
Disposals	-	-	-	-	-
At 31 August 2014	271	75	45	6	397
Net book values					
At 31 August 2014	11,102	54	37	1	11,194
At 31 August 2013	10,011	26	20	3	10,060

13 Stock

	2014 £000	2013 £000
Stationery	<u>5</u>	<u>5</u>
	5	5

14 Debtors

	2014 £000	2013 £000
Trade debtors	4	5
VAT recoverable	41	100
Other debtors	349	118
Prepayments and accrued income	<u>107</u>	<u>92</u>
	501	315

15 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	100	161
Taxation and social security	109	109
Diocese of Blackburn	102	103
Other creditors	33	86
Accruals and deferred income	<u>132</u>	<u>252</u>
	476	711

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

15 Creditors: amounts falling due within one year (continued)

Deferred income

	2014 £000	2013 £000
Deferred Income at 1 September 2013	144	-
Resources deferred in the year	39	144
Amounts released from previous years	(144)	-
Deferred Income at 31 August 2014	39	144

At the balance sheet date the academy trust was holding funds received in advance for educational trips during the 2014/15 academic year and music lessons for the autumn 2014 term. The rates funding is deferred over the period to 31 March 2015.

16 Creditors: amounts falling due after one year

	2014 £000	2013 £000
Diocese of Blackburn	315	417

17 Funds

	Balance at 1 September 2013 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2014 £000
Restricted general funds					
General Annual Grant (GAG)	641	7,817	(6,994)	(1,239)	225
Other DfE/EFA grants	-	296	(288)	-	8
Local authority grants	-	36	(26)	-	10
Other restricted funds	12	308	(318)	-	2
	653	8,457	(7,626)	(1,239)	245
Diocese of Blackburn	(520)	-	-	103	(417)
Pension reserve	(1,205)	-	(52)	163	(1,094)
	(1,072)	8,457	(7,678)	(973)	(1,266)
Restricted fixed asset funds					
DfE/EFA capital grants	60	650	(262)	-	448
Other capital grants	162	85	(6)	-	241
Capital expenditure from GAG	904	-	(52)	1,136	1,988
Assets on conversion	8,994	-	(73)	-	8,921
	10,120	735	(393)	1,136	11,598
Total restricted funds	9,048	9,192	(8,071)	163	10,332
Unrestricted funds	351	306	(206)	-	451
Total funds	9,399	9,498	(8,277)	163	10,783

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

17 Funds (continued)

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward. At 31 August 2014 the carry forward of GAG was £225,000 (2013: £641,000).

Other DfE/EFA grants include monies received outside of GAG funding and includes; Academy Bursary Funding, Pupil Premium, Year 7 Catch-up and National College grants. The balance carried forward comprises unspent funding from the National College; 3D Printer Project (£3,326), Teaching School Research Project (£3,666) and National Leaders of Governance funding (£785).

Local Authority grants represent amounts payable to the Academy predominantly from Lancashire County Council and includes Special Educational Needs (SEN) funding and Free School Meals Project funding. Additional Pupil Premium funding was also received via Cumbria County Council. The balance carried forward is the unspent amount of the Free School Meals Project funding (£9,911).

Other restricted funds includes the income and related expenditure for educational visits, supplies of staff, after school clubs and all donations for specified purposes such as charitable or educational trust grants, fundraising proceeds and general donations with restrictions attached. The balance carried forward represents small unspent amounts of several charitable and educational trust grants.

DfE/EFA capital grants include; Academies Capital Maintenance Funding (ACMF) and Devolved Formula Capital. The resources expended against this funding includes £261,086 of roofing repair work that is a revenue expense, and therefore transferred out of the restricted fixed asset fund. The balance carried forward includes £404,002 of unspent ACMF funding which predominantly relates to the replacement science block development that is to be completed in the year ended 31 August 2015. If any of this work was not to be completed then this funding would be repayable to the EFA.

Other capital grants comprise two donations from The Ripley Trust for contributions to the Lodge Development (£50,000) and the Sixth Form Extension (£34,766). Both amounts were fully spent during the year.

Capital expenditure from GAG represents the costs incurred on fixed asset additions that are not directly funded through capital grants. During the year ended 31 August 2014 a substantial transfer was made from the restricted general funds to the restricted fixed asset fund of £1,136,000 which represents the cost incurred on fixed asset additions from the GAG and other restricted funds. This was to fund the Lodge Development and Sixth Form Extension.

Assets on conversion represent the transfer of leasehold assets, valued at £9,165,000 per the EFA valuation, into the Academy on conversion and are depreciated over a 125 year lease period.

Unrestricted funds includes the income and related expenditure for; lettings, sales of goods and services, Teaching School activities, external catering, student placements and school productions. It also includes all investment income and gift aid donations. This fund includes the surplus on conversion to Academy of £281,000. The balance on this fund at the 31 August 2014 is £451,000 and these funds can be used at the discretion of the Trustees, in order to meet the charitable objectives of the Academy.

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	11,194	11,194
Current assets	451	619	404	1,474
Current liabilities	-	(476)	-	(476)
Long term liabilities	-	(315)	-	(315)
Pension scheme liability	-	(1,094)	-	(1,094)
Total net assets	451	(1,266)	11,598	10,783

19 Capital commitments

	2014 £000	2013 £000
Contracted for, but not provided in the financial statements	-	751

20 Financial commitments

Operating leases

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

	2014 £000	2013 £000
Other		
Expiring within one year	9	-
Expiring within two and five years inclusive	2	19
	11	19

21 Reconciliation of net income to net cash inflow from operating activities

	2014 £000	2013 £000
Net income	1,221	660
Depreciation (note 12)	132	122
Capital grants from DfE/EFA and other capital income	(735)	(547)
Interest receivable (note 4)	(7)	(3)
FRS 17 pension cost less contributions payable (note 27)	10	10
FRS 17 pension finance income (note 27)	42	46
(Increase) in stocks	-	(1)
(Increase) in debtors	(186)	(22)
(Decrease) in creditors	(337)	(321)
Net cash inflow/(outflow) from operating activities	140	(56)

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

22 Returns on investments and servicing of finance

	2014	2013
	£000	£000
Interest received	7	3
Net cash inflow from returns on investment and servicing of finance	<u>7</u>	<u>3</u>

23 Capital expenditure and financial investment

	2014	2013
	£000	£000
Purchase of tangible fixed assets	(1,266)	(196)
Capital grants from DfE/EFA	650	497
Capital funding received from others	85	50
Net cash (outflow)/inflow from capital expenditure and financial investment	<u>(531)</u>	<u>351</u>

24 Analysis of changes in net funds

	At 1 September 2013 £000	Cash flows £000	At 31 August 2014 £000
Cash in hand and at bank	<u>1,352</u>	<u>(384)</u>	<u>968</u>

25 Contingent Liabilities

During the year of the funding agreement, in the event of the sale or disposal by other means of any leasehold building the Academy is required to either re-invest the proceeds or to repay the Secretary of State for Education or the Ripley Trust the proceeds of the sale or disposal as these two bodies would jointly have an interest in the proceeds of any sale.

26 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.

27 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 Pension Fund. Both are defined-benefit schemes.

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

27 Pension and similar obligations (continued)

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £19,774 (2013: £86,460) were payable to the schemes at 31 August 2014 and are included within other 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 Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

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

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

27 Pension and similar obligations (continued)

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £238,000, of which employer's contributions totalled £182,000 and employees' contributions totalled £56,000. The agreed contribution rates for future years are 16% for employers and the rate for the employees remains dependent on the salary of the employee.

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 the 18 July 2013.

As described in note 1 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

Principal Actuarial Assumptions	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.7%	4.4%
Rate of increase for pensions in payment / inflation	2.2%	2.4%
Discount rate for scheme liabilities	4.0%	4.6%
Inflation assumption (CPI)	2.2%	2.4%
Commutation of pensions to lump sums	50%	50%

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.8	22.1
Females	25.3	24.8
<i>Retiring in 20 years</i>		
Males	25.0	23.9
Females	27.7	26.7

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £000	Expected return at 31 August 2013	Fair value at 31 August 2013 £000
Equities	7.0%	712	7.0%	621
Government bonds	2.9%	3	3.4%	83
Other bonds	3.8%	380	4.4%	249
Property	6.2%	137	5.7%	100
Cash	0.5%	34	0.5%	57
Other	7.0%	164	7.0%	99
Total market value of assets		1,430		1,209
Present value of scheme liabilities				
- Funded		(2,524)		(2,414)
(Deficit) in the scheme		(1,094)		(1,205)

The overall expected rate of return is 5.74% (2013: 5.64%). The actual return on scheme assets was £106,000 (2013: £131,000).

Amounts recognised in the Statement of Financial Activities

	2014 £000	2013 £000
Current service cost (net of employee contributions)	192	162
Total operating charge	<u>192</u>	<u>162</u>

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	74	54
Interest on pension liabilities	<u>(116)</u>	<u>(100)</u>
Pension finance (costs)	(42)	(46)

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actual gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £32,000 gain (2013: £131,000 loss).

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

	2014 £000	2013 £000
At 1 September	2,414	2,108
Current service cost	192	162
Past service cost	-	-
Interest cost	116	100
Employee contributions	56	46
Actuarial (gain)	(261)	-
Curtailments and settlements	-	-
Benefits paid	7	(2)
At 31 August	2,524	2,414

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

	2014 £000	2013 £000
At 1 September	1,209	882
Expected return on assets	74	54
Actuarial (loss)/gain	(98)	77
Employer contributions	182	152
Employee contributions	56	46
Assets distributed on settlements	-	-
Transfer in of new Members	-	-
Benefits paid	7	(2)
At 31 August	1,430	1,209

The estimated value of employer contributions for the year ended 31 August 2015 is £182,000.

The five-year history of experience adjustments is as follows:

	2014 £000	2013 £000	2012 £000
Present value of defined benefit obligations	(2,524)	(2,414)	(2,108)
Fair value of share of scheme assets	1,430	1,209	882
(Deficit) in the scheme	(1,094)	(1,205)	(1,226)
Experience adjustments on share of scheme assets	(98)	77	(51)
Experience adjustments on scheme liabilities:	293	-	-

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

28 Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which members or trustees have an interest. All transactions involving such organisations are conducted at cost and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

The following related party transactions took place in the period of account:

Mrs H Roff (Member):

- Mrs Roff provided counselling services to the Academy totalling £6,470 (2013: £16,000) during the year. There were no amounts outstanding at 31 August 2014 (2013: £nil).
- The Academy purchased the services at arm's length and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.