

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

Annual Report and Financial Statements

For the year ended 31st August 2015

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

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Ripley St Thomas Church of England Academy

Reference and administrative details

Members

Prof J Crewdson
Diocesan Director of Education
Rev C Newlands
Mrs E Nicholls
Mrs H Roff
Rev J Scamman

Trustees

Mrs L Appleyard (Resigned 31st August 2015)
Mr D Bateman
Mrs R Buckland
Mr K Carman (Resigned 31st January 2015)
Mrs K Chamberlain
Mrs D Cheetham (Appointed 5th March 2015)
Prof J Crewdson (Chairman)
Miss S Exton (Appointed 5th October 2015)
Dr P Gager
Mrs J Garnett (Vice Chairman wef May 2015)
Rev M Gisbourne
Mrs M Humphreys
Mrs A Kinder
Mrs S Lane-Dixon
Dr L Loudon Vice Chairman (Deceased 8th April 2015)
Mr P Marshall
Rev C Newlands
Mrs E Nicholls (Accounting Officer)
Rev J Scamman
Mr M Sim (Appointed 1st May 2015)
Mr C Whiteside
Cllr Mrs V Wilson

Senior Management Team

Mrs E Nicholls (Principal)
Mr M Wood (Senior Vice Principal)
Mrs A Casson (Vice Principal)
Mr I Gomersall (Director of Operations)
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 A Korab (Senior Leader)
Mr M Salthouse (Senior Leader)

Registered Office

Ashton Road
Lancaster
LA1 4RS

Company Registration Number

07588464

Ripley St Thomas Church of England Academy

Auditors

CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Bankers

Lloyds Bank PLC
49 Market Street
Lancaster
LA1 1JH

Solicitors

Browne Jacobson
Ground Floor
Piccadilly Place
Manchester
M1 3BN

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the 1st September 2014 to the 31st August 2015. 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.

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 2.

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. (note 26)

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. (note 11)

1.4 Method of Recruitment and Appointment or Election of Trustees

The Trustees make up the Governing Body of the Academy and each Trustee is a Governor of the Academy.

The Board of Governors consists of 20 Governors.

- (i) 9 Foundation Governors:
 - 3 appointed by the Ripley Trust
 - 2 appointed by the Blackburn Diocese
 - 2 appointed by St Thomas' Church PCC
 - 2 appointed by St Mary's Church PCC

- (ii) 2 Parent Governors

Parent Governors are elected by the parents of registered pupils of the Academy and must themselves be parents of a pupil at the time of their election. When a vacancy occurs, every parent is informed of the vacancy and that he/she is entitled to stand as a candidate. If the number of candidates exceeds the number of vacancies, an election is held by secret ballot.

Trustees' Report (continued)

1. Structure, Governance and Management (continued)

1.4 Method of Recruitment and Appointment or Election of Trustees (continued)

(iii) 3 Staff Governors

Staff Governors are elected by all staff under a contract of employment with the Academy. When a vacancy occurs, every member of staff is notified and may stand as a candidate. If the number of candidates exceeds the number of vacancies, an election is held by secret ballot.

(iv) 3 Co-opted Governors appointed by the Board of Governors

(v) The Principal, ex officio

(vi) The Chairman of the Ripley Trust, ex-officio

(vii) The Director of Education, Blackburn Diocese, ex-officio, or his representative

The term of appointment for Governors is generally four years except for the Principal, Chairman of the Ripley Trust and Diocesan Director of Education who hold their appointments for the terms of their office. Also, if a Staff Governor leaves the employment of the Academy, they are deemed to have resigned from the Board of Governors.

1.5 Policies and Procedures Adopted for the Induction and Training of Trustees.

Newly appointed Governors are provided with recent minutes and other key documents prior to an induction session with the Principal and Chair of Governors. The Trustees have access to training and the agenda of each full Governing Body meeting includes a focus item on key issues.

1.6 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, Senior Vice Principal, Vice Principal, Assistant Principal, Director of Operations, 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.

1.7 Related Parties and Other Connected Charities and Organisations

There are no connected organisations in the year. Related party transactions are disclosed in note 28 to the accounts.

Trustees' Report (continued)

2. Objectives and Activities

2.1 Objects and Aims

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.

3. Strategic report

3.1 Achievements and Performance

This has been a very successful year for the Academy. Outcomes at all key stages have been excellent and the Academy was featured in The Telegraph in the list of the top 25 comprehensive schools at GCSE in England. A level results put us in the top 25% of schools in terms of value added. The vast majority of A level students went on to university with an increasing number taking up apprenticeships. Both our Oxbridge candidates were able to take up their places having met the entrance requirements.

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, a South African exchange and the Duke of Edinburgh award. Over 20 students will be travelling to St James's palace to receive their Gold Awards this year, a wonderful achievement.

Trustees' Report (continued)

3. Strategic report (continued)

3.1 Achievements and Performance (continued)

We have improved our estate over the last year with two additional Science labs completed. We are now midway through a rebuild of the gym and about to commence a replacement programme for our ancient boilers and heating system.

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, on the most able, and on preparation and implementation of the Government's significant curriculum reform.

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.

3.2 Key Performance Indicators

The Academy monitors its performance on the examination results and Ofsted reports it receives. The Academy operates in line with the requirements of its Funding Agreement with the EFA and manages its reserves in line with the policies set out on page 23.

3.3 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.

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 (note 1).

4. Financial Review

4.1 Operating and 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 1st 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.

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 31st August 2015 the surplus of total income over expenditure, before other recognised gains and losses, equated to £629 (2014 - £1.2m). 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.

At 31st August 2015 the Academy held revenue fund balances of £987,000 (2014 - £696,000) comprising £536,000 of restricted general funds (2014 - £245,000) and £451,000 of unrestricted funds (2013 - £451,000). In addition to this the

Trustees' Report (continued)

4. Financial Review (continued)

4.1 Operating and Financial Review (continued)

pension reserve shows a deficit of £1.2m (2014 - £1.1m) and the Diocese of Blackburn balance stands at £314,000 (2014 - £417,000).

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.

4.2 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.

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 31st August 2015 the Trustees consider that the Academy's reserves of GAG and unrestricted funds held are satisfactory for the level of the Academy's operations.

4.3 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.

Trustees' Report (continued)

4.4 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.

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. (page11)

With regard 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.

5. 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 review the curriculum content to ensure future pathways for students, particularly in the light of curriculum change and financial constraints.

Ripley continues to support the wider system through its role as a National Teaching School and to contribute towards the workforce through its role as a School Centered Initial Teacher Training (SCITT). The Academy continues to develop its profile regionally and nationally. It remains focussed on delivering outstanding teaching and learning through ensuring staff are highly trained. It is relentless in its ambition to raise achievement even further, working towards even better outcomes for our students in both terminal examinations and rates of progress. Trustees and leaders retain a total commitment to ensure all students have high quality religious education and a rich experience of learning and living within a Christian community.

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. The Academy has benefited significantly from grants through the Academies Capital Maintenance Fund (ACMF) and latterly the Condition Improvement Fund (CIF) which have enabled the flat roofs to be replaced and which will over the next few years allow us to replace ancient boilers and the aligned heating systems. 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.

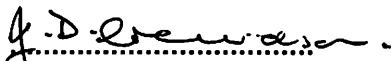
Trustees' Report (continued)

6. Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 24/11/15 and signed on the board's behalf by:


Prof J Crewdson
Chair of Trustees

7 Governance Statement

7.1 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 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 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.

7.2 Governance

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	3	3
Mr D Bateman	3	3
Mrs R Buckland	3	3
Mr K Carman (Resigned 31 st January 2015)	0	1
Mrs K Chamberlain	0	3
Mrs D Cheetham(Appointed 5 th March 2015)	2	2
Prof J Crewdson (Chairman)	3	3
Dr P Gager	2	3
Mrs J Garnett	3	3
Rev M Gisbourne	3	3
Mrs M Humphreys	2	3
Mrs A Kinder	3	3
Mrs S Lane-Dixon	3	3
Dr L Loudon (Vice Chairman) (deceased 8 th April 2015)	0	2
Mr P Marshall	2	3
Rev C Newlands	2	3
Mrs E Nicholls (Accounting Officer)	3	3
Rev J Scamman	3	3
Mr M Sim (Appointed 1 st May 2015)	2	2
Mr C Whiteside	3	3
Cllr Mrs V Wilson	2	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:

7 Governance Statement (continued)

7.2 Governance (continued)

Governance (continued)

Trustee	Meetings attended	Out of a possible
Mrs D Cheetham (Appointed 5 th March 2015)	0	2
Prof J Crewdson	4	5
Dr P Gager	3	5
Rev M Gisbourne	5	5
Mrs M Humphreys	5	5
Dr L Loudon (Finance Committee Chair) (deceased 8 th April 2015)	2	3

7.3 Review of Value for Money

As Accounting Officer the Principal 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. Pupils and students make very good progress at Ripley, in no small measure due to judicious use of money and resources. Examples of success in ensuring best value are given below:

- **Benchmarking:** The Director of Business & Finance chairs a regional group of 300 school and academy business managers, and attends a local group of 25 academy business managers. Both groups focus on sharing best practice and comparing prices for goods and services. Collaborative purchasing opportunities have enabled the Academy to obtain discounts on costs of a number of purchases. Financial benchmarking exercises carried out during the year, utilising professionally produced reports to compare key income and expenditure types with local and national academies of similar size and form indicate that our costs were below the median, across the board, and show that the strict budgeting and financial control has been effective.
- **Options appraisal:** The Academy has clear systems for purchasing, with a hierarchy for purchasing decisions including Governing Body authorisation at the highest level. Purchases of goods and services valued at over £5,000 require three quotes, although in practice we generally obtain quotes for goods and services of much lower value, to ensure best value. Orders for all goods and services are authorised only after meeting the stringent procedures for obtaining value for money. Even relatively low value orders are intercepted by the Finance Manager or Director of Business & Finance if they are not considered to be cost-effective.
- **Negotiation:** The Director of Business & Finance has successfully driven down costs through determined negotiation with suppliers throughout the year. Quotations for goods and services have been routinely challenged and most prices have subsequently been reduced. Significant reductions have been achieved in many cases including in maintenance, in catering and in utilities.
- **Lighting:** A significant investment has recently been made to the lighting system across the academy, with a planned programmed of replacement with lower cost LED lighting. This has resulted in significant decreases in energy bills and maintenance costs, and much better lighting.

Governance Statement (continued)

7.4 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 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 Ripley St Thomas Church of England Academy for the period from the 1st September 2014 to the 31st August 2015 and up to the date of approval of the annual report and financial statements.

7.5 Capacity to Handle Risk

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

7.6 The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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, and;
- identification and management of 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 appointed Mrs Judy Bateman, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the trustees, through the Finance Committee on the operation of the systems of control and on the discharge of the trustees financial responsibilities. The RO function has been fully delivered in line with the EFA's requirements and no material control issues arose as a result of the RO's work.

7.7 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:

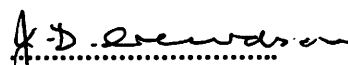
- the Board of Trustees;
- the Responsible Officer;
- external audit;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Governance Statement (continued)

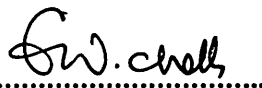
7.7 Review of Effectiveness (continued)

Internal financial procedures have been updated and reviewed as applicable. All recommendations by the Responsible Officer have been considered and implemented if appropriate.

Approved by order of the members of the Board of Trustees on24/11/15..... and signed on its behalf by:



Prof J Crewdson
Chair of Trustees



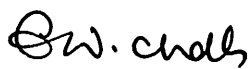
Mrs E Nicholls
Accounting Officer

8. 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 Trust 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 Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



.....
Mrs E Nicholls
Accounting Officer

Date: 14 Dec 2015

9. Statement of Trustees' 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 2005;
- 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.

In so far as the trustees are aware:

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

The 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 on24/11/15..... 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 31st August 2015 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 2014 to 2015 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 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 31st August 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

(Continued)

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.

.....
P. Dennison

Mr P Dennison FCCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
Statutory Auditor
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date:16/12/2015.....

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 1st September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ripley St Thomas Church of England Academy during the year 1st September 2014 to the 31st August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Ripley St Thomas Church of England Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to 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 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 1st September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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 9.4 of the Academies Accounts Direction 2014 to 2015 issued by the EFA in June 2015; 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 1st September 2014 to the 31st August 2015 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 CWR Chartered Accountants
Statutory Auditor
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date:16/12/2015.....

Statement of Financial Activities for the year ended 31st August 2015
(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 2015 £000	Total 2014 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	15	64	-	79	165
Activities for generating funds	3	241	226	-	467	527
Investment income	4	8	-	-	8	7
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	8,236	35	8271	8,799
Total incoming resources		264	8,526	35	8825	9,498
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		-	5	-	5	5
Costs of activities for generating funds		264	267	-	531	516
<i>Charitable activities:</i>						
Academy's educational operations	7	-	7,488	142	7,630	7,729
Governance costs	8	-	30	-	30	27
Total resources expended	6	264	7,790	142	8,196	8,277
Net incoming/(outgoing) resources before transfers		-	736	(107)	629	1,221
Gross transfers between funds	17	-	(392)	392	-	-
Net income for the year		-	344	285	629	1,221
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	17, 27	-	(87)	-	(87)	163
Net movement in funds		-	257	285	542	1,384
Reconciliation of funds						
Funds brought forward at 1 st September 2014	17	451	(1,266)	11,598	10,783	9,399
Funds carried forward at 31st August 2015		451	(1,009)	11,883	11,325	10,783

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

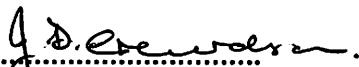
A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Ripley St Thomas Church of England Academy

Balance sheet as at 31st August 2015

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Tangible assets	12		11,842		11,194
Current assets					
Stock	13	5		5	
Debtors	14	116		501	
Cash at bank and in hand		1,458		968	
		<u>1,579</u>		<u>1,474</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(652)</u>		<u>(476)</u>	
Net current assets			<u>927</u>		<u>998</u>
Total assets less current liabilities			12,769		12,192
Creditors: Amounts falling due after more than one year	16		<u>(213)</u>		<u>(315)</u>
Net assets excluding pension liability			12,556		11,877
Pension scheme liability	27		<u>(1,231)</u>		<u>(1,094)</u>
Net assets including pension liability			<u>11,325</u>		<u>10,783</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund	17	11,883		11,598	
General fund	17	222		(172)	
Pension reserve	17	<u>(1,231)</u>		<u>(1,094)</u>	
Total restricted funds		10,874		10,332	
Unrestricted income funds					
General funds	17	<u>451</u>		<u>451</u>	
Total unrestricted funds			11,325		10,783
Total funds			<u>11,325</u>		<u>10,783</u>

The financial statements on pages 20 to 44 were approved by the trustees, and authorised for issue on 24/11/15 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 31st August 2015

	Notes	2015 £000	2014 £000
Net cash inflow from operating activities	21	1,236	140
Returns on investments and servicing of finance	22	8	7
Capital expenditure and financial investment	23	(754)	(531)
Increase/(Decrease) in cash in the year	24	<u>490</u>	<u>(384)</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 st September 2014		968	1,352
Net funds at 31st August 2015		<u>1,458</u>	<u>968</u>

Notes to the Financial Statements for the year ended 31st August 2015

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 2014 to 2015 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 restricted general funds. 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.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

1 Accounting Policies (continued)

- **Donated goods, facilities and services**

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 the Academy's accounting policies.

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.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

1 Accounting Policies (continued)

Tangible Fixed Assets (continued)

The buildings occupied by the Academy, and the land on which the buildings are situated, is leased to the Academy under a 125 year lease from Trustees of Lancaster, Ripley Church of England Educational Trust. (Charity number 526393)

No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out in 2012 on behalf of the Department for Education by DTZ. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

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.

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 or 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 Part 11, Chapter 3 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.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

1 Accounting Policies (continued)

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 Education Funding Agency/Department for Education.

Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from Education Funding Agency. Payments received from Education Funding Agency and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 29.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Capital grants	-	-	-	85
Other donations	15	64	79	80
	<u>15</u>	<u>64</u>	<u>79</u>	<u>165</u>

3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Hire of facilities	31	-	31	31
Catering income	1	-	1	3
Trip income	-	211	211	261
Sale of educational goods and services	104	4	108	91
Supplies of staff	-	8	8	18
Teaching school income	81	-	81	106
Other	24	3	27	17
	<u>241</u>	<u>226</u>	<u>467</u>	<u>527</u>

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Short term deposits	8	-	8	7
	<u>8</u>	<u>-</u>	<u>8</u>	<u>7</u>

5 Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	7,969	7,969	7,817
Capital grants	-	35	35	650
Other DfE/EFA grants	-	240	240	296
	<u>-</u>	<u>8,244</u>	<u>8,244</u>	<u>8,763</u>
Other Government grants				
Local authority grants	-	27	27	33
	<u>-</u>	<u>27</u>	<u>27</u>	<u>33</u>
	<u>-</u>	<u>8,271</u>	<u>8,271</u>	<u>8,796</u>

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure		Total 2015 £000	Total 2014 £000
		Premises £000	Other Costs £000		
Costs of generating voluntary income	5	-	-	5	5
Costs of activities for generating funds	150	14	367	531	516
Academy's educational operations					
Direct costs	5,504	83	693	6,280	6,141
Allocated support costs	521	616	213	1,350	1,588
	<u>6,180</u>	<u>713</u>	<u>1,273</u>	<u>8,166</u>	<u>8,250</u>
Governance costs including allocated support costs	22	-	8	30	27
	<u>6,202</u>	<u>713</u>	<u>1,281</u>	<u>8,196</u>	<u>8,277</u>

The method used for the apportionment of support costs is disclosed in the accounting policies (note 1).

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

6 Resources Expended (continued)

	2015 £000	2014 £000
Net expenditure for the year includes:		
Operating leases		
Plant and machinery	9	24
Other leases	-	-
Fees payable to auditor for:		
Audit	5	3
Other services	2	1
	<u>16</u>	<u>28</u>

No transactions have taken place under Section 3.1.8 and 3.1.9 of the 2014 Academies Financial Handbook which require additional disclosure.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

7 Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Direct costs – educational operations				
Teaching and educational support staff costs	-	5,504	5,504	5,294
Depreciation	-	128	128	119
Technology costs	-	83	83	129
Educational supplies	-	293	293	290
Examination fees	-	139	139	156
Staff development	-	42	42	37
Educational consultancy	-	5	5	20
Other direct costs	-	86	86	96
	-	6,280	6,280	6,141
Support costs – educational operations	-			
Support staff costs	-	521	521	487
Depreciation	-	14	14	13
Technology costs	-	31	31	35
Recruitment and support	-	15	15	15
Maintenance of premises and equipment	-	185	185	434
Cleaning	-	135	135	108
Rent and rates	-	40	40	37
Energy costs	-	144	144	143
Insurance	-	50	50	65
Security and transport	-	3	3	4
Catering	-	23	23	22
Bank interest and charges	-	3	3	2
Other support costs	-	186	186	223
	-	1,350	1,350	1,588
Total direct and support costs	-	7,630	7,630	7,729

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

8 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Legal and professional fees	-	1	1	2
Auditor's remuneration				
• Audit of financial statements	-	5	5	3
• Accountancy, taxation and other services	-	2	2	1
Support staff costs:	-	22	22	21
		30	30	27

9 Staff

(a) Staff costs

	2015 £000	2014 £000
Staff costs during the period were:		
Wages and salaries	4,891	4,806
Social security costs	368	366
Operating costs of defined benefit pension schemes	731	707
	5,990	5,879
Supply staff costs	137	54
Staff restructuring costs	75	-
	6,202	5,933

(b) Staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £75,000 (2014: £nil). Individually, the payments were: £21,000, £13,000, £9,000, £18,000 and £14,000.

(c) Staff numbers

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

	2015 Number	2015 Full-time equivalent	2014 Number	2014 Full-time equivalent
Charitable Activities				
Teachers	97	91	97	90
Administration and support	63	48	66	55
Management	9	9	8	8
	169	148	171	153

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

9 Staff (continued)

(d) Higher paid staff

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

	2015 No.	2014 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£110,001 - £120,000	1	1
	<u>4</u>	<u>4</u>

All the above employees participated in the Teacher's Pension Scheme.

10 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees have been paid remuneration or have received other benefits from an employment with the Academy Trust. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration was as follows:

Mrs E Nicholls (Principal and trustee):

Remuneration	£115,001 - £120,000 (2014: £110,000 - £115,000)
Employers' pension contributions	£15,000 - £20,000 (2014: £15,000 - £20,000)

Mrs L Appleyard (staff trustee):

Remuneration	£30,000 - £35,000 (2014: £25,000 - £30,000)
Employers' pension contributions	£0 - £5,000 (2014: £0 - £5,000)

Mrs R Buckland (staff trustee):

Remuneration	£20,000 - £25,000 (2014: £20,000 - £25,000)
Employers' pension contributions	£0 - £5,000 (2014: £0 - £5,000)

Mr K Carman (staff trustee):

Remuneration	£35,000 - £40,000 (2014: £40,000 - £45,000)
Employers' pension contributions	£5,000 - £10,000 (2014: £5,000 - £10,000)

Mr M Sim (staff trustee):

Remuneration	£55,000 - £60,000 (2014: not appointed as trustee)
Employers' pension contributions	£5,000 - £10,000 (2014: not appointed as trustee)

During the year ended 31st August 2015, travel and subsistence expenses totalling £594 (2014 - £594) were reimbursed or paid directly to 1 trustee (2014 - 1).

Other 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 31st August 2015 was £80 (2014: £120). The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the year ended 31st August 2015 (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 st September 2014	11,373	129	82	7	11,591
Additions	691	38	60	-	789
Disposals	-	(1)	-	-	(1)
At 31 st August 2015	1,2064	166	142	7	12,379
Depreciation					
At 1 st September 2014	271	75	45	6	397
Charged in year	92	23	25	1	141
Disposals	-	(1)	-	-	(1)
At 31 st August 2015	363	97	70	7	537
Net book values					
At 31 st August 2015	11,701	69	72	-	11,842
At 31 st August 2014	11,102	54	37	1	11,194

13 Stock

	2015 £000	2014 £000
Stationery	5	5
	5	5

14 Debtors

	2015 £000	2014 £000
Trade debtors	10	4
VAT recoverable	31	41
Other debtors	3	349
Prepayments and accrued income	72	107
	116	501

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

15 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	111	100
Taxation and social security	108	109
Diocese of Blackburn	102	102
Other creditors	128	46
Accruals and deferred income	203	119
	<u>652</u>	<u>476</u>

16 Creditors: amounts falling due after more than one year

	2015 £000	2014 £000
Diocese of Blackburn	<u>213</u>	<u>315</u>

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

17 Funds

	Balance at 1 st September 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 st August 2015 £000
Restricted general funds					
General Annual Grant (GAG)	225	7,969	(7,286)	(392)	516
Other DfE/EFA grants	8	240	(234)	-	14
Local Authority grants	10	27	(32)	-	5
Other restricted funds	2	290	(291)	-	1
Diocese of Blackburn	(417)	-	-	103	(314)
Pension reserve	(1,094)	-	(50)	(87)	(1,231)
	<u>(1,266)</u>	<u>8,526</u>	<u>(7,893)</u>	<u>(376)</u>	<u>(1,009)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	404	35	-	(398)	41
Capitalised assets post conversion	2,273	-	(69)	790	2,994
Assets on conversion	8,921	-	(73)	-	8,848
	<u>11,598</u>	<u>35</u>	<u>(142)</u>	<u>392</u>	<u>11,883</u>
Total restricted funds	<u>10,332</u>	<u>8,561</u>	<u>(8,035)</u>	<u>16</u>	<u>10,874</u>
Unrestricted funds	<u>451</u>	<u>264</u>	<u>(264)</u>	<u>-</u>	<u>451</u>
Total funds	<u>10,783</u>	<u>8,825</u>	<u>(8,299)</u>	<u>16</u>	<u>11,325</u>

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 31st August 2015 the carry forward of GAG was £516,000 (2014: £225,000).

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

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. The balance carried forward is the unspent amount of the Free School Meals Project funding.

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 received during the year relate to Devolved Formula Capital. As at the 31st August 2015 all of these funds had been spent in full. The balance carried forward relates to unspent grants for roofing projects which was brought forward at 1st September 2014.

Capitalised assets post conversion represents the value of assets purchased since conversion to academy status. These are depreciated in line with the accounting policies set out in note 1.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

17 Funds (continued)

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 31st August 2015 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.

18 Analysis of net assets between funds

Fund balances at 31st August 2015 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	11,842	11,842
Current assets	451	1,087	41	1,579
Current liabilities	-	(652)	-	(652)
Non-current liabilities	-	(213)	-	(213)
Pension scheme liability	-	(1,231)	-	(1,231)
Total net assets	451	(1,009)	11,883	11,325

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

19 Capital commitments

	2015 £000	2014 £000
Contracted for, but not provided in the financial statements	-	-

20 Financial commitments

Operating leases

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

	2015 £000	2014 £000
Other		
Expiring within one year	-	9
Expiring within two and five years inclusive	1	2
	<u>1</u>	<u>11</u>

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

	2015 £000	2014 £000
Net income	629	1,221
Depreciation (note 12)	141	132
Capital grants from DfE/EFA and other capital income	(35)	(735)
Interest receivable (note 4)	(8)	(7)
FRS 17 pension cost less contributions payable (note 27)	28	10
FRS 17 pension finance income (note 27)	22	42
(Increase)/decrease in stocks	-	-
Decrease/(Increase) in debtors	385	(186)
Increase/(decrease) in creditors	74	(337)
Net cash inflow from operating activities	<u>1,236</u>	<u>140</u>

22 Returns on investments and servicing of finance

	2015 £000	2014 £000
Interest received	8	7
Net cash inflow from returns on investment and servicing of finance	<u>8</u>	<u>7</u>

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

23 Capital expenditure and financial investment

	2015 £000	2014 £000
Purchase of tangible fixed assets	(789)	(1,266)
Capital grants from DfE/EFA	35	650
Capital funding received from others	-	85
Net cash outflow from capital expenditure and financial investment	(754)	(531)

24 Analysis of changes in net funds

	At 1 st September 2014 £000	Cash flows £000	At 31 st August 2015 £000
Cash in hand and at bank	968	490	1,458

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 Trustees of Lancaster, Ripley Church of England Educational Trust (Charity number 526393) 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 multi-employer defined-benefit schemes.

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

At the end of the financial year contributions amounting to £92,321 (2014: £19,774) were payable to the schemes at 31st August 2015 and are included within creditors.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

27 Pension and similar obligations (continued)

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 1st April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1st January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31st 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 9th June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1st April 2019.

The pension costs paid to TPS in the period amounted to £860,000 (2014: £854,000).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

27 Pension and similar obligations (continued)

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 31st August 2015 was £251,000 of which employer's contributions totalled £192,000 and employees' contributions totalled £59,000. The agreed contribution rates for future years are 16% for employers and the rate for 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 18th July 2013.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, 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 period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Principal Actuarial Assumptions

	At 31st August 2015	At 31st August 2014
Rate of increase in salaries	3.8%	3.7%
Rate of increase for pensions in payment / inflation	2.3%	2.2%
Discount rate for scheme liabilities	4.0%	4.0%
Inflation assumption (CPI)	2.3%	2.2%
Commutation of pensions to lump sums	50%	50%

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

	At 31st August 2015	At 31st August 2014
<i>Retiring today</i>		
Males	22.9	22.8
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	25.1	25.0
Females	27.8	27.7

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 st August 2015	Fair value at 31 st August 2015 £000	Expected return at 31 st August 2014	Fair value at 31 st August 2014 £000
Equities	6.5%	595	7.0%	712
Government Bonds	2.5%	95	2.9%	3
Other Bonds	3.6%	45	3.8%	380
Property	6.1%	157	6.2%	137
Cash	.05%	22	0.5%	34
Other	6.5%	814	7.0%	164
Total market value of assets		<u>1,728</u>		<u>1,430</u>
Present value of scheme liabilities				
- Funded		(2,959)		(2,524)
(Deficit) in the scheme		<u>(1,231)</u>		<u>(1,094)</u>

The actual return on scheme assets was £61,000 (2014: £106,000).

Amounts recognised in the statement of financial activities

	2015 £000	2014 £000
Current service cost (net of employee contributions)	<u>218</u>	<u>192</u>
Total operating charge	<u>218</u>	<u>192</u>

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	85	74
Interest on pension liabilities	<u>(107)</u>	<u>(116)</u>
Pension finance costs	<u>(22)</u>	<u>(42)</u>

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 £55,000 loss (2014: £32,000 gain).

Notes to the Financial Statements for the year ended 31st August 2015 (continued)

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2015 £000	2014 £000
At 1st September	2,524	2,414
Current service cost	218	192
Past service cost	-	-
Interest cost	107	116
Employee contributions	58	56
Actuarial loss/(gain)	64	(261)
Curtailments and settlements	-	-
Benefits paid	(12)	7
At 31st August	2,959	2,524

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

	2015 £000	2014 £000
At 1st September	1,430	1,209
Expected return on assets	85	74
Actuarial loss	(23)	(98)
Employer contributions	190	182
Employee contributions	58	56
Assets distributed on settlements	-	-
Transfer in of new members	-	-
Benefits paid	(12)	7
At 31st August	1,728	1,430

The estimated value of employer contributions for the year ended 31st August 2016 is £196,000.

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

	2015 £000	2014 £000	2013 £000	2012 £000
Present value of defined benefit obligations	(2,959)	(2,524)	(2,414)	(2,108)
Fair value of share of scheme assets	1,728	1,430	1,209	882
(Deficit) in the scheme	(1,231)	(1,094)	(1,205)	(1,226)
Experience adjustments on share of scheme assets	(23)	(98)	77	(51)
Experience adjustments on scheme liabilities:	-	293	-	-

Notes to the Financial Statements for the year ended 31st August 2015 (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 the trust has an interest.

All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

29 Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for the Education Funding Agency. In the accounting year ending 31st August 2015 the trust received £28,606 and disbursed £16,337 from the fund.

An amount of £10,899 is included in other creditors relating to undistributed funds for allocation in 2015/2016.