

REGISTERED COMPANY NUMBER: 08738224 (England and Wales)

Report of the Governors and
Financial Statements for the Period 18 October 2013 to
31 August 2014
for

Mordiford Church of England Primary School

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Mordiford Church of England
Primary School

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for the Period 18 October 2013 to 31 August 2014

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Mordiford Church of England
Primary School

Reference and Administrative Details
for the Period 18 October 2013 to 31 August 2014

MEMBERS

P Sell (appointed 18.10.13)
D Watkins (appointed 18.10.13)
Mrs K Mcenery (appointed 18.10.13)
J Bentley (appointed 18.10.13)
R Hill (appointed 18.10.13)

GOVERNORS

D Watkins (Chair) (appointed 18.10.13) *
Miss K Finney (Head Teacher & Accounting Officer)
(appointed 1.9.14) *
Mrs E Kearns (appointed 18.10.13) (resigned 31.8.14) *
Mrs K Mcenery (Vice chair) (appointed 18.10.13)
Rev'd Dr C Moore (Foundation Governor) (appointed
18.10.13) *
Mrs H Shaw (appointed 18.10.13)
E Sibcy (appointed 18.10.13)
Mrs J Blenkinsop (appointed 18.10.13) (resigned 29.9.14)
A Martin (appointed 13.1.14)
Mrs L McLachlan (appointed 13.1.14)
R Hill (appointed 18.10.13) *
S Mair (appointed 18.10.13)
Mrs C Bullock (appointed 18.10.13)
Mrs J Altin (appointed 18.10.13)
Mrs K King (appointed 18.10.13) *
Ms A Leppert (appointed 29.9.14)

* members of the finance and premises committee

SENIOR MANAGEMENT TEAM

Miss K Finney	Head Teacher
R Foster	Deputy Head

REGISTERED OFFICE

Mordiford C of E Primary School
Hereford
Herefordshire
HR1 4LW

REGISTERED COMPANY NUMBER

08738224 (England and Wales)

SENIOR STATUTORY AUDITOR

K M Tong FCCA, ACA

Mordiford Church of England
Primary School

Reference and Administrative Details
for the Period 18 October 2013 to 31 August 2014

AUDITORS

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

SOLICITORS

Lee Bolton Monier-Williams
1 The Sanctuary,
Westminster
SW1P 3JT

BANKERS

Lloyds Bank PLC
Business Banking
Service Centre
3rd Floor
10 Booth Street
Manchester
M2 4AW

Santander UK PLC
Business & Corporate Banking Operations
Bridle Road
Bootle
Merseyside
L30 4GB

Mordiford Church of England
Primary School

Report of the Governors
for the Period 18 October 2013 to 31 August 2014

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2014.

INCORPORATION

The academy was incorporated on 18 October 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Company was Incorporated on the 18th October 2013 and converted from a Local Authority School to an Academy Trust on the 1st December 2013.

The governors act as the trustees for the charitable activities of Mordiford C Of E Primary School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Mordiford C Of E Primary School.

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

Governors' Indemnities

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

The liability insurance is provided by Zurich.

Principal activities

This is defined in the Articles of Association:

The Academy Trust's object ("the object") is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balance curriculum ("the Academy") conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

Mordiford Church of England
Primary School

Report of the Governors
for the Period 18 October 2013 to 31 August 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of Recruitment and Appointment or Election of Governors

This is defined in the Articles of Association:

The members may appoint up to 3 Governors.

The members shall appoint 3 Foundation Governors through such process as they may determine.

The members may appoint up to 2 Staff Governors through such process as they may determine, provided that the number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one-third of the total number of Governors.

The Incumbent shall be treated for all purposes as ex-officio Foundation Governor. The Foundation members may appoint 2 additional Foundation Governors (one of whom shall be a person eligible for appointment as a parent governor) and any further number provided that the total number of Foundation Governors (including ex-officio Foundation Governors) would not thereby exceed 25% of the total number of Governors.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy.

Any election of Parent Governors which is contested shall be held in secret ballot.

Policies and Procedures adopted for the induction and training of Governors

The Academy has a Governor Recruitment and Induction policy.

The training and induction provided for new governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Organisational structure

The Senior Management Team are the Head teacher and Deputy Head. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts always contain a governor.

Connected Organisations, including Related Party Relationships

Mordiford C of E Primary School has a connection with the Diocese of Hereford.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances. The governors have implemented a system of assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object and activity of the school is to advance for the public benefit education in the United Kingdom, in particular, by establishing, maintaining, carrying on, managing and developing a school offering a broad range of curriculum of pupils of different abilities.

The aims of the school during the period ended 31 August 2014 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including a wide range of extra-curricular activities
- to develop students as more effective learners
- to develop the Academy site so that the environment enables children to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to fulfil the role of a teaching school
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to develop the school's capacity to manage change

We aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Our school continues to maintain, manage and celebrate our distinctive Christian character as a Church of England Academy, arranging religious education and daily acts of worship. Our school is a community in which children, staff, parents and governors should be part of a happy and caring environment.

Objectives, Strategies and Activities

- to strive to maintain our status as an outstanding school
- to continue to introduce new technology to inspire and support the children's learning across the curriculum and thus enhance their acquisition of key life skills
- to continue to foster strong links with the Rector and churches within our community and to engage fully with the Diocesan Board of Education to meet the spiritual needs of the children
- to develop the school grounds and Forest School site in order that the outdoor environment is a learning hub for all children

Mordiford Church of England
Primary School

Report of the Governors
for the Period 18 October 2013 to 31 August 2014

OBJECTIVES AND ACTIVITIES

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit

ACHIEVEMENT AND PERFORMANCE

Achievements and Performance

Mordiford C of E Primary School has been rated as an Ofsted Outstanding School since 2010 and strives to achieve the best possible academic success for all children.

In 2014; 52.4% of pupils achieved a good level of development in EYFS, compared to the National Average of 52%. 86% of Y1 pupils met the expected standard for their Phonic Screen Check, compared to the National Average of 74%.

At the end of KS1; 96% of children met age expected levels in Reading, compared to the National Average of 81%. 61% of children exceeded age expected levels in Reading, compared to the National Average of 57%. 83% of children met age expected levels in Writing, compared to the National Average of 70%. 48% of children exceeded age expected levels in Writing, compared to the National Average of 39%. 91% of children met age expected levels in Maths, compared to the National Average of 80%. 48% of children exceeded age expected levels in Maths, compared to the National Average of 53%.

At the end of KS2; 100% of children met age expected levels in Maths, compared to the National Average of 86%. 53% of children exceeded age expected levels in Maths, compared to the National Average of 42%. 100% of children met age expected levels in Reading, compared to the National Average of 89%. 63% of children exceeded age expected levels in Reading, compared to the National Average of 49%. 95% of children met age expected levels in Writing, compared to the National Average of 85%. 26% of children exceeded age expected levels in Writing, compared to the National Average of 33%. 95% of children met age expected levels in English Grammar, Punctuation and Spelling, compared to the National Average of 76%. 68% of children exceeded age expected levels in English Grammar, Punctuation and Spelling, compared to the National Average of 52%.

Mordiford C of E Primary School has the International School Award for its commitment to Global Learning and is a British Council Comenius Partnership School for 2013-2015.

Going concern

After making appropriate enquiries, the Governing Body 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.

Key financial performance indicators

These are covered throughout the Governors' Report.

Mordiford Church of England
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Report of the Governors
for the Period 18 October 2013 to 31 August 2014

FINANCIAL REVIEW

Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £1810, all of which is free reserves

Investment policy and objectives

Any surplus cash is invested in a High Interest Account to make the most of the money, but so that it is still readily available

FINANCIAL REVIEW

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the year ended 31 August 2014, total expenditure of £396,554 was covered by recurrent grant funding from the DfES. The net resources expended before transfers and revaluations for the year was £92,742.

At 31 August 2014, the net book value of fixed assets was £89,512 and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide an outstanding education and opportunities for all of its pupils. Full details of our plans for the future are given in our School Development Plan but key initiatives for 2014-2015 include;

Ensuring a smooth transition to the introduction of the National Curriculum 2014

We are developing a new system of assessment, which will be introducing as National Curriculum levels are phased out.

We are continuing to work on the further enhancement of our school buildings and grounds which will include a re-roofing project for the Victorian building and a new EYFS/Y1 outdoor canopy

The Academy will continue to work with and develop relationships with existing and new partner schools to improve the educational opportunities for students in Herefordshire.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider that the principal risks and uncertainties facing the Academy are:

Mordiford Church of England
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Report of the Governors
for the Period 18 October 2013 to 31 August 2014

PRINCIPAL RISKS AND UNCERTAINTIES

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

AUDITORS

Insofar as the governors are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- the governors 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.

Approved by order of the board of governors on 12th DEC 2014 and signed on its behalf by:

D.A. Watkins

.....
D Watkins - Chair

Mordiford Church of England
Primary School

Governance Statement
for the Period 18 October 2013 to 31 August 2014

Scope of Responsibility

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

The board of the governors 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 Mordiford Church of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors Responsibilities. The board of governors has formally met 9 times during the period. Attendance during the year at meetings of the board of governors was as follows:

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors Responsibilities. The board of governors has formally met 9 times during the period. Attendance during the year at meetings of the board of governors was as follows:

Governor		Meeting attendance	Out of a possible
D Watkins	Chair, Community Governor	8	9
Mrs E Kearns (resigned 31.8.14)	Head Teacher	9	9
Mrs J Altin	Parent Governor	7	9
R Hill	Community Governor	9	9
S Mair	Parent Governor	8	9
A Martin (appointed 13.1.14)	Community Governor	6	7
Mrs K McEnery	Vice Chair, Parent Governor	9	9
Mrs L McLachlan (appointed 13.1.14)	Community Governor	7	7
Revd Dr C Moore	Foundation Governor	5	9
Mrs H Shaw	Foundation Governor	6	9
E Sibcy	Staff Governor	9	9
Mrs K King	Parent Governor	6	9
Mrs J Blenkinsop	Staff Governor	9	9

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Mordiford Church of England Primary School for the period 18 October 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Mordiford Church of England
Primary School

Governance Statement
for the Period 18 October 2013 to 31 August 2014

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 18 October 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The Risk and Control Framework

The Academy 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 Governing Body.
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr Alastair Campbell, 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 Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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 executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

Mordiford Church of England
Primary School

Governance Statement
for the Period 18 October 2013 to 31 August 2014

Approved by order of the members of the board of trustees on ^{12th} Dec 2014 and
signed on its behalf by:

D Watkins
D Watkins - Chair

K. Finney
Miss K Finney - Accounting Officer

Mordiford Church of England
Primary School

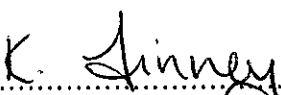
Statement on Regularity, Propriety and Compliance
for the Period 18 October 2013 to 31 August 2014

As accounting officer of Mordiford Church of England Primary School I have considered my responsibility to notify the academy board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

I would like to refer to the related and connected party transactions highlighted in note 21 in the attached accounts.


.....
Miss K Finney - Accounting Officer

Date: 12th Dec 2014.....

Mordiford Church of England
Primary School

Statement of Governors Responsibilities
for the Period 18 October 2013 to 31 August 2014

The governors (who act as trustees of Mordiford Church of England Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

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

In so far as the governors are aware:

- there is no relevant audit information of which the academy's auditors are unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The governors (who act as trustees for charitable activities of Mordiford C Of E Primary School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Approved by order of the board of governors on ^{12th} Dec 2014 and signed on it's behalf by:


.....
D Watkins - Chair

Report of the Independent Auditors to the Members of
Mordiford Church of England
Primary School

We have audited the financial statements of Mordiford Church of England Primary School for the period ended 31 August 2014 on pages eighteen to thirty nine. 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 (EFA).

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

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Governors Responsibilities set out on page thirteen, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. As explained more fully in the Governor's responsibilities statement, the Governors (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's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Report of the Independent Auditors to the Members of
Mordiford Church of England
Primary School

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.



K M Tong FCCA, ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

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

Independent Reporting Accountant's Assurance Report on Regularity to
Mordiford Church of England
Primary School and the Education Funding Agency

In accordance with the terms of our engagement 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 Mordiford Church of England Primary School during the period 18 October 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Mordiford Church of England Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mordiford Church of England Primary School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, 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 period 18 October 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matter 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 charitable company's income and expenditure.

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year

Independent Reporting Accountant's Assurance Report on Regularity to
Mordiford Church of England
Primary School and the Education Funding Agency

- a general review and discussion of the Academy's internal procedures for establishing and maintaining systems of control and documentation regarding these matters

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 21 in the attached accounts.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 18 October 2013 to 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.



Thorne Widgery Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

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

Mordiford Church of England
Primary School
(Incorporating an Income and Expenditure Account)
Statement of Financial Activities

for the Period 18 October 2013 to 31 August 2014

	Not es	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	3	-	10,144	22,552	32,696
Voluntary income - Transfer from Local Authority on conversion	22	-	6,000	202,088	208,088
Activities for generating funds	4	1,672	-	26,011	27,683
Investment income	5	138	-	-	138
Incoming resources from charitable activities					
Academy's educational operations	6	-	-	444,021	444,021
Total incoming resources		1,810	16,144	694,672	712,626
RESOURCES EXPENDED					
Charitable activities					
Academy's educational operations		-	6,172	474,512	480,684
Governance costs	9	-	-	7,200	7,200
Other resources expended - Transfer from Local Authority on conversion	22	-	-	132,000	132,000
Total resources expended	7	-	6,172	613,712	619,884
NET INCOMING RESOURCES		1,810	9,972	80,960	92,742
Gross transfers between funds	17	-	85,159	(85,159)	-
Net incoming resources before other recognised gains and losses		1,810	95,131	(4,199)	92,742
Other recognised gains/losses					
Actuarial gains/losses on defined benefit schemes		-	-	(13,000)	(13,000)
Net movement in funds		1,810	95,131	(17,199)	79,742
TOTAL FUNDS CARRIED FORWARD		1,810	95,131	(17,199)	79,742

All of the Mordiford Church of England Primary School's activities derive from acquisitions in the current period.

The notes form part of these financial statements

Mordiford Church of England (Registered number: 08738224)
Primary School

Balance Sheet
At 31 August 2014

	Not es	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
FIXED ASSETS					
Tangible assets	13	-	89,512	-	89,512
CURRENT ASSETS					
Debtors	14	-	6,666	25,290	31,956
Cash at bank and in hand		<u>1,810</u>	<u>92,418</u>	<u>162,264</u>	<u>256,492</u>
		1,810	99,084	187,554	288,448
CREDITORS					
Amounts falling due within one year	15	-	(93,465)	(55,753)	(149,218)
NET CURRENT ASSETS		<u>1,810</u>	<u>5,619</u>	<u>131,801</u>	<u>139,230</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,810	95,131	131,801	228,742
PENSION LIABILITY	18	-	-	(149,000)	(149,000)
NET ASSETS		<u>1,810</u>	<u>95,131</u>	<u>(17,199)</u>	<u>79,742</u>
FUNDS	17				
Unrestricted funds:					
Unrestricted fund					1,810
Restricted funds:					
General Annual Grant (GAG)					(59,096)
Restricted Pension Fund					(149,000)
Conversion and depreciation					5,325
Other Restricted					188,664
DfE/YPLA Capital Grants					5,620
Other DfE/EFA Grants					2,234
Capital expenditure from GAG					80,780
Other private sector					<u>3,405</u>
					<u>77,932</u>
TOTAL FUNDS					<u>79,742</u>


The notes form part of these financial statements

Mordiford Church of England
Primary School

Balance Sheet - continued
At 31 August 2014

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Governors on ^{12th} Dec 2014.
and were signed on its behalf by:

..... 
D Watkins -Chair

Mordiford Church of England
Primary School

Cash Flow Statement
for the Period 18 October 2013 to 31 August 2014

	Notes	£
Net cash inflow from operating activities	1	138,330
Cash transferred on conversion to an academy	22	202,088
Returns on investments and servicing of finance	2	138
Capital expenditure and financial investment	2	(84,064)
Increase in cash in the period		<u>256,492</u>

Reconciliation of net cash flow to movement
in net debt

3

Increase in cash in the period	<u>256,492</u>
Change in net debt resulting from cash flows	<u>256,492</u>
Movement in net debt in the period	256,492
Net debt at 18 October	<u>-</u>
Net debt at 31 August	<u>256,492</u>

All of the cash flows are derived from acquisitions in the current period.

The notes form part of these financial statements

Mordiford Church of England
Primary School

Notes to the Cash Flow Statement
for the Period 18 October 2013 to 31 August 2014

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	£
Net incoming resources	92,742
Depreciation charges	6,172
Capital grants from DfE/EFA	(5,620)
Transfer from Local Authority on conversion	(76,088)
Interest received	(138)
Pension finance income	4,000
Increase in debtors	(31,956)
Increase in creditors	<u>149,218</u>
Net cash inflow from operating activities	<u>138,330</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	£
Returns on investments and servicing of finance	
Interest received	<u>138</u>
Net cash inflow for returns on investments and servicing of finance	<u>138</u>
 Capital expenditure and financial investment	
Purchase of tangible fixed assets	(89,684)
Capital grants from DfE/EFA	<u>5,620</u>
Net cash outflow for capital expenditure and financial investment	<u>(84,064)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 18.10.13 £	Cash flow £	At 31.8.14 £
Net cash:			
Cash at bank and in hand	-	256,492	256,492
	<u>-</u>	<u>256,492</u>	<u>256,492</u>
Total	<u>-</u>	<u>256,492</u>	<u>256,492</u>

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Going concern

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

Incoming resources

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

Grants receivable

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

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

Notes to the Financial Statements - continued
for the Period 18 October 2013 to 31 August 2014

1. ACCOUNTING POLICIES - continued

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Governance costs

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

Tangible fixed assets

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

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

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

Improvement to property	15 years straight line
Fixtures and fitting	15 - 20% per annum
Computer equipment	33 1/3% per annum

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 are charged on a straight line basis over the lease term.

1. ACCOUNTING POLICIES - continued

Taxation

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education funding Agency.

Pension costs and other post-retirement benefits

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

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

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

Mordiford Church of England
Primary School

Notes to the Financial Statements - continued
for the Period 18 October 2013 to 31 August 2014

1. ACCOUNTING POLICIES - continued

Conversion to an academy trust

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

The assets and liabilities transferred on conversion from the Mordiford C of E Primary School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Mordiford C of E Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in Note 22.

2. GENERAL ANNUAL GRANT

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.

3. VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	Total funds £
Grants	-	5,620	5,620
School fund income	-	19,037	19,037
Donations	-	8,039	8,039
	<u>-</u>	<u>32,696</u>	<u>32,696</u>

Grants received, included in the above, are as follows:

	£
Capital Grant	<u>5,620</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Catering income	-	25,841	25,841
Income from other organisations	-	170	170
Letting income	<u>1,672</u>	<u>-</u>	<u>1,672</u>
	<u>1,672</u>	<u>26,011</u>	<u>27,683</u>

Mordiford Church of England
Primary School

Notes to the Financial Statements - continued
for the Period 18 October 2013 to 31 August 2014

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Total funds £
Deposit account interest	<u>138</u>	<u>-</u>	<u>138</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Total funds £
DfE/EFA revenue grant			
General Annual Grant(GAG)	-	422,616	422,616
Other DfE/EFA Grants	<u>-</u>	<u>11,642</u>	<u>11,642</u>
	-	434,258	434,258
Other government grant			
Other government grants	<u>-</u>	<u>9,763</u>	<u>9,763</u>
	<u>-</u>	<u>444,021</u>	<u>444,021</u>

7. RESOURCES EXPENDED

	Staff costs £	Non-pay expenditure Premises £	Other costs £	Total £
Charitable activities				
Academies educational operations				
Direct costs	295,437	6,172	57,638	359,247
Allocated support costs	<u>49,129</u>	<u>11,693</u>	<u>60,615</u>	<u>121,437</u>
	344,566	17,865	118,253	480,684
Governance costs including allocated support costs	-	-	7,200	7,200
Other resources expended - Transfer from Local Authority on conversion	<u>-</u>	<u>-</u>	<u>132,000</u>	<u>132,000</u>
	<u>344,566</u>	<u>17,865</u>	<u>257,453</u>	<u>619,884</u>

Mordiford Church of England
Primary School

Notes to the Financial Statements - continued
for the Period 18 October 2013 to 31 August 2014

7. RESOURCES EXPENDED - continued

Net resources are stated after charging/(crediting):

	£
Auditors' remuneration	7,200
Depreciation - owned assets	<u>6,172</u>

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
Direct costs - academy's educational operations			
Teaching and educational support staff	-	295,437	295,437
Depreciation	-	6,172	6,172
Educational supplies	-	50,926	50,926
Staff development	-	2,712	2,712
Other direct costs	<u>-</u>	<u>4,000</u>	<u>4,000</u>
	-	359,247	359,247
Allocated support costs - academy's educational operations			
Support staff costs	-	49,129	49,129
Administrative supplies	-	2,438	2,438
Recruitment and support	-	7,274	7,274
Maintenance of premises and equipment	-	3,402	3,402
Cleaning	-	717	717
Rent and rates	-	1,801	1,801
Energy costs	-	4,448	4,448
Insurance	-	1,325	1,325
Professional fees and services	-	28,267	28,267
Catering	<u>-</u>	<u>22,636</u>	<u>22,636</u>
	-	121,437	121,437
	<u>-</u>	<u>480,684</u>	<u>480,684</u>

9. GOVERNANCE COSTS

	Unrestricted funds £	Restricted funds £	Total funds £
Auditors' remuneration	<u>-</u>	<u>7,200</u>	<u>7,200</u>

10. GOVERNORS' REMUNERATION AND BENEFITS

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

Mrs E Kearns (Headteacher until 31.08.14)	£45,000-£50,000
Mrs J Blenkinsop (Staff governor)	£10,000-£15,000
E Sibcy (Staff governor)	£30,000-£35,000

The above figures represent a nine month period.

Other related party transactions involving the trustees are set out in note 21.

Governors' expenses

During the period ended 31 August 2014, there were no expenses reimburse to the governors.

Other related party transactions involving the transactions involving the trustees are set out in note 21.

11. STAFF COSTS

	£
Wages and salaries	298,885
Social security costs	33,665
Other pension costs	<u>12,016</u>
	<u>344,566</u>

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

Teachers	7
Administration and support	6
Management	<u>1</u>
	<u>14</u>

There is one employee with annual emoluments of greater than £60,000.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2014 is included in the total insurance premium of £5,194.

Mordiford Church of England
Primary School

Notes to the Financial Statements - continued
for the Period 18 October 2013 to 31 August 2014

12. GOVERNORS' AND OFFICERS' INSURANCE

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

13. TANGIBLE FIXED ASSETS

	Improvement s to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
Transfer on conversion	-	6,000	-	6,000
Additions	<u>83,758</u>	<u>1,160</u>	<u>4,766</u>	<u>89,684</u>
At 31 August 2014	<u>83,758</u>	<u>7,160</u>	<u>4,766</u>	<u>95,684</u>
DEPRECIATION				
Charge for year	<u>4,187</u>	<u>806</u>	<u>1,179</u>	<u>6,172</u>
NET BOOK VALUE				
At 31 August 2014	<u>79,571</u>	<u>6,354</u>	<u>3,587</u>	<u>89,512</u>

The property and land of the school on conversion has not been capitalised on the Balance Sheet due to the nature of the lease being a short term lease.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
VAT	13,746
Prepayments and accrued income	<u>18,210</u>
	<u>31,956</u>

Mordiford Church of England
Primary School

Notes to the Financial Statements - continued
for the Period 18 October 2013 to 31 August 2014

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	65,304
Social security and other taxes	7,804
Other creditors	7,872
Deferred government grants	<u>68,238</u>
	<u>149,218</u>
Deferred income	31.8.14
	£
Deferred income brought forward	-
Resources deferred in the years	68,238
Amounts released from previous years	<u>-</u>
	<u>68,238</u>

At the balance sheet date the academy trust was holding funds received in advance for Free School Meal grant relating to the Autumn 2014 term and a capital grant in relation to a roofing project which had yet to have start.

16. 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.

Mordiford Church of England
Primary School

Notes to the Financial Statements - continued
for the Period 18 October 2013 to 31 August 2014

17. MOVEMENT IN FUNDS

	Net movement in funds £	Transfers between funds £	At 31.8.14 £
Unrestricted funds			
Unrestricted fund	1,810	-	1,810
Restricted funds			
General Annual Grant (GAG)	26,063	(85,159)	(59,096)
Restricted Pension Fund	(149,000)	-	(149,000)
Conversion and depreciation	5,325	-	5,325
Other Restricted	188,664	-	188,664
DfE/YPLA Capital Grants	5,620	-	5,620
Other DfE/EFA Grants	2,234	-	2,234
Capital expenditure from GAG	(4,379)	85,159	80,780
Other private sector	3,405	-	3,405
	77,932	-	77,932
TOTAL FUNDS	<u>79,742</u>	<u>-</u>	<u>79,742</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted fund	1,810	-	-	1,810
Restricted funds				
General Annual Grant (GAG)	422,617	(396,554)	-	26,063
Conversion and depreciation	6,000	(675)	-	5,325
Other Restricted	260,414	(71,750)	-	188,664
DfE/YPLA Capital Grants	5,620	-	-	5,620
Other DfE/EFA Grants	11,641	(9,407)	-	2,234
Other private sector	4,524	(1,119)	-	3,405
Restricted Pension Fund	-	(136,000)	(13,000)	(149,000)
Capital expenditure from GAG	-	(4,379)	-	(4,379)
	710,816	(619,884)	(13,000)	77,932
TOTAL FUNDS	<u>712,626</u>	<u>(619,884)</u>	<u>(13,000)</u>	<u>79,742</u>

17. MOVEMENT IN FUNDS - continued

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

- General Annual Grant (GAG): 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.
- Other DfE/EFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

Transfers between funds

During the year a transfer between funds was made in for capital assets which have been funded by the General Annual Grant (GAG).

18. 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 Mordiford C of E Primary School. Both are defined-benefit schemes.

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

Contributions amounting to £7,613 were payable to the schemes at 31 August 2014 and are included within creditors.

18. 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 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

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

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.

18. PENSION AND SIMILAR OBLIGATIONS - continued

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

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

18. 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 31 August 2014 was £17,450, of which employer's contributions totalled £14,155 and employees' contributions totalled £3,295. The agreed contribution rates for future years are 17.3 per cent for employers and between 5.5 and 12.5 per cent for employees.

As described below, the LGPS pension obligation relates to the employees of the academy trust, who were 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.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

As the scheme is in deficit, the School has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable over a six year period will be the Future Service Rate of 17.3% of payroll plus phased lump sum deficit contributions starting at £5,800 for the year to 31 March 2015, increasing by approximately 4% per annum. The rate payable from 1 April 2017 will be further revised following the next valuation of the Pension Fund on 31 March 2016.

The current estimated recovery period is 21 years.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans £
Fair value of plan assets	<u>18,000</u>
	<u>18,000</u>
Surplus	<u>18,000</u>
Net asset	<u>18,000</u>

Mordiford Church of England
Primary School

Notes to the Financial Statements - continued
for the Period 18 October 2013 to 31 August 2014

18. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans £
Current service cost	13,000
Interest cost	<u>5,000</u>
	<u>18,000</u>
Actual return on plan assets	<u>1,000</u>

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

	Defined benefit pension plans £
Current service cost	(13,000)
Contributions by scheme participants	(3,000)
Interest cost	(5,000)
Actuarial losses/(gains)	(14,000)
Business combinations	<u>(132,000)</u>
	<u>(167,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans £
Contributions by employer	14,000
Contributions by scheme participants	3,000
Actuarial gains/(losses)	<u>1,000</u>
	<u>18,000</u>

18. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans
Equities	92.3%
Bonds - Other	6.5%
Cash/liquidity	1.2%

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

Discount rate	4%
Expected return on scheme assets	6.42%
Future salary increases	3.7%
Future pension increases	2.2%
Inflation assumption (CPI)	2.2%

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
Retiring today	
Males	23.3
Females	25.7
Retiring in 20 years	
Males	25.5
Females	28.0

Amounts for the current period are as follows:

	£
Defined benefit pension plans	
Defined benefit obligation	(167,000)
Fair value of scheme assets	18,000
Deficit	(149,000)

The estimated value of employer contributions for the period ended 31 August 2014 is £14,098.

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses are recognised in the statement of financial activities since the adoption of FRS 17 is a £13,000 loss.

19. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

Mordiford Church of England
Primary School

Notes to the Financial Statements - continued
for the Period 18 October 2013 to 31 August 2014

20. CAPITAL COMMITMENTS

As at 31 August 2014, Mordiford C Of E Primary School had received a capital grant during the period of £47,644 (which has been deferred in the accounts until 14/15), as part of a total capital grant of £95,287. Contacts are in place for the work to commence in 14/15.

21. RELATED PARTY DISCLOSURES

There are no related party transactions during the year ended 31 August 2014 which require disclosure.

22. CONVERSION TO AN ACADEMY

On 1st December 2013 the Mordiford C of E Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Mordiford C of E Primary School from the Hereford and Worcester Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities (SOFA) as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds	Restricted General Funds	Restricted Pension Fund	Restricted Fixed Asset Funds	Total
	£	£	£	£	£
Incoming resources					
Other tangible fixed asset	-	-	-	6,000	6,000
Budget surplus / (deficit) on other school funds	-	202,088	-	-	202,088
Resources expended					
LGPS Pension liability	-	-	(132,000)	-	(132,000)
Net Assets	<u>-</u>	<u>202,088</u>	<u>(132,000)</u>	<u>6,000</u>	<u>76,088</u>

The above net assets include £202,088 that was transferred as cash.

Other tangible fixed assets included fixtures and fittings transferred at fair values.

Mordiford Church of England
Primary School

Detailed Statement of Financial Activities
for the Period 18 October 2013 to 31 August 2014

£

INCOMING RESOURCES

Voluntary income

Grants	5,620
School fund income	19,037
Donations	<u>8,039</u>
	32,696

Voluntary income - Transfer from Local Authority on conversion

208,088

Activities for generating funds

Catering income	25,841
Income from other organisations	170
Letting income	<u>1,672</u>
	27,683

Investment income

Deposit account interest	138
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Incoming resources from charitable activities

Grants	<u>444,021</u>
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Total incoming resources	712,626
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RESOURCES EXPENDED

Charitable activities

Wages	257,980
Social security	32,476
Pensions	4,981
Educational supplies	50,926
Staff development	2,712
Long leasehold	6,172
Interest on pension scheme liabilities	<u>4,000</u>
	359,247

Mordiford Church of England
Primary School

Detailed Statement of Financial Activities
for the Period 18 October 2013 to 31 August 2014

	£
Governance costs	
Auditors' remuneration	7,200
Other resources expended - Transfer from Local Authority on conversion	132,000
Support costs	
Management	
Wages	40,905
Social security	1,189
Pensions	7,035
Administrative supplies	2,438
Recruitment and support	7,274
Maintenance of premises and equipment	3,402
Cleaning	717
Rent and rates	1,801
Energy costs	4,448
Insurance	1,325
Professional fees and services	28,267
Catering	22,636
	<u>121,437</u>
Total resources expended	619,884
	<hr/>
Net income	<u>92,742</u>