

Report of the Governors and
Financial Statements for the Year Ended
31 August 2015
for
Marden Primary Academy

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

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for the Year Ended 31 August 2015

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Marden Primary Academy

Reference and Administrative Details
for the Year Ended 31 August 2015

MEMBERS

M Hughes
J M McColl (appointed 4.12.14)
P Box (resigned 4.12.14)
M Williams

GOVERNORS

P Box (resigned 4.12.14)
M J Newton (Headteacher and accounting officer) *
M Williams (Chairman) *
M Hughes (Vice - chairman) *
Z Rudge *
H King
C Hemming
R Bartup
D Payne (resigned 18.6.15)
N Lloyd *
J M McColl (appointed 4.12.14)

* members of the finance and staffing committee

SENIOR MANAGEMENT TEAM:

M Newton
Z Rudge

**DIRECTOR OF FINANCE AND
ADMINISTRATION:**

J Sockett

COMPANY SECRETARY

E Beecham

REGISTERED OFFICE

Marden
Hereford
Herefordshire
HR1 3EW

REGISTERED COMPANY NUMBER

08802427 (England and Wales)

AUDITORS

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

Marden Primary Academy

Reference and Administrative Details
for the Year Ended 31 August 2015

SOLICITORS

Anthony Collins Solicitors
134 Edmond Street
Birmingham
B3 2ES

BANKERS

Lloyds Bank PLC
6 - 8 High Town
Hereford
HR1 2AE

Santander
Po Box 1109
Bradford
BD1 5ZJ

Marden Primary Academy

Report of the Governors for the Year Ended 31 August 2015

The governors who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2015. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

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 4th December 2013 and converted from a Local Authority School to an Academy Trust on the 1st January 2014.

The governors act as the trustees for the charitable activities of Marden Primary Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Marden Primary Academy.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on pages 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 Arthur J Gallagher Insurance Brokers.

Principal activities

This is defined in the Articles of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

This is defined in the Articles of Association:

The members shall appoint not less than 3 Governors.

The members may appoint Staff Governors through such process as they may determine.

The total number of Governors (including the Headteacher) who are employees of the Academy Trust shall not exceed one-third of the total number of Governors.

The Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.

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.

Induction and training of new trustees

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 together with Activate Educational Ltd 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 Academy together with its close links with Herefordshire Marches Federation of Academies has a leadership structure which consists of the governors, the Headteacher, Deputy Headteacher and Subject Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

The governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Senior Management Team are the Headteacher and Deputy Headteacher. 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 boards for posts in the Senior Management Team always contain governors.

Connected Organisations, including Related Party Relationships

The Academy has strong collaborative links with the schools within the HMFA.

Related Party Relationships have been recorded on a Register of Director's Declarations of Interest and any additional declarations noted at the start of each Board of Directors Meeting. The following companies have been identified as having a Related Party Relationship as they share common Directors; Activate Educational Ltd and Calon Solutions Ltd.

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

Objects 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 2015 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 extra-curricular activities
- to develop students as more effective learners
- to develop the Academy site so that it enables students 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 support teacher training activities
- 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, and
- to conduct the Academy's business in accordance with the highest standards and integrity, probity and openness.

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 is a community in which children, staff and parents should be part of a happy environment.

Key priorities for the year are contained in the school's Strategic Development Plan.

Objective, Strategies and Activities

Key priorities for the year are contained in the school's Strategic Development Plan which is available from each member of the Senior Leadership Team.

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

The targeted initiatives to ensure effective educational provision for all as detailed in the value for money statement have had significant impact on progress and attainment during the year:

KS2 Progress 2015 from end of KS1

	Expected Progress (2+ levels)	%	Exceeding Expected Progress (3+ levels)	%
Read	13/16	81% (91%)	7/16	44% (33%)
Write	15/16	94% (94%)	8/16	50% (36%)
Maths	16/16	100% (90%)	4/16	

KS2 Attainment 2015

	Level 4+	%	Level 5+	%
Read	13/16	81% (89%)	7/16	44% (48%)
Write	13/16	81% (87%)	6/16	38% (36%)
SPAG	11/16	69% (76%)	9/16	56% (52%)
Re, Wr & Ma	14/16	88% (87%)	6/16	38% (42%)
	13/16	81% (80%)	5/16	31% (56%)

(National outcomes 2015 in brackets)

APS progress - this cohort at KS1 14.5 and KS2 28.1. Progress of 13.6 (12.0 being expected)

KS1 Attainment 2015

	Level 2+	%	Level 2b+	%	Level 3	%
Read	6/6	100% (90%)	6/6	100% (82%)	3/6	50% (32%)
Write	6/6	100% (88%)	5/6	83% (72%)	2/6	33% (18%)
Maths	6/6	100% (93%)	5/6	83% (82%)	2/6	33% (26%)

(National outcomes 2015 in brackets)

Year 2 Phonics (retake)

2/2 100% achieved pass

Year 1 Phonics

7/12 (58%) achieved pass (77% National 2015)

EYFS

2/3 (67%) of pupils achieved a Good Level of Development (60% National 2014)

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.

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 £32,062 (2014: £31,965), all of which is free reserves. The level of general restricted reserves is £71,812 (2014: £35,822).

Investment policy and objectives

The school will invest any surplus funds on deposit to ensure it maximises its return.

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 period ended 31 August 2015 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 period ended 31 August 2015, total expenditure of £346,963 (2014: £231,394) was covered by recurrent grant funding from the DfE. The net incoming resources before transfers and revaluations for the period was £10,805 (2014: £1,281,154).

At 31 August 2015, the net book value of fixed assets was £1,333,347 (2014: £1,354,399) and movements in tangible fixed assets are shown in 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 outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in Herefordshire.

As a partner teaching school with Worcester University, the Academy will continue to support students completing initial teacher training. School Direct students from the HMFA hub will be supported with in our school.

HMFA are taking a leading role in a Global Learning Partnership Scheme, which is a national initiative aimed at developing children as global citizens.

Full details of our plans for the future are given in our School Strategic Development Plan. However the Key Initiatives for 2015/16 are:

- Assessment without levels
- Development of writing, including grammar and spelling

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

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:

- 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.
- Fall in pupil numbers on roll.

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.

The Governors Report, incorporating a strategic report, was approved by the board of governors, as the company directors on and signed on its behalf by:

.....
M Williams - Chairman

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met 5 times during the period. These meetings also covered Finance and staffing agendas. Attendance during the period at meetings of the Governing Body was as follows:

Full Governor meetings

Governor		Meetings Attended	Out of a possible
M Williams	Chairman	5	5
M Hughes	Vice Chairman	5	5
	Headteacher & Accounting Officer	5	5
M Newton	Staff Governor	4	5
Z Rudge	Staff Governor	5	5
H King	Appointed Governor	5	5
C Hemming	Appointed Governor	3	5
R Bartup	HMFA Governor	0	1
P Box (resigned 4/12/15)	Parent Governor	3	4
D Payne (resigned 18/6/15)	Parent Governor	5	5
N Lloyd		4	5
J McColl (appointed 4/12/14)			

There was also 1 extra-ordinary meeting held in January as an update to Governors of the Academy status.

Governance Review

The Academy reviews the skills set of the Governors to ensure a board range of knowledge/expertise is represented.

Review of Value for Money

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

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

Marden Primary Academy

Governance Statement for the Year Ended 31 August 2015

Review of Value for Money

Marden Primary Academy is a member of the Herefordshire Marches Federation of Academies and has strong links with 5 other Primary Academies (Lord Scudamore Academy, Sutton Primary Academy, Kings Caple Primary Academy, Llangrove CE Academy and Canon Pyon Academy) and one Local Authority school (St Weonard's Primary).

We are able to minimise costs by the sharing of resources, staff and combining pupil extra-curricular activities. We purchase services as a group to obtain discount and best rate. Examples of this are for Professional services, Advertising and insurance.

We also belong to a network of 35 local schools which focuses on sharing development and training.

We have strict internal controls and regularly monitor the budgets and investigate anomalies and overspends. Budget reports are provided regularly to the Head Teacher. Detailed financial reports are presented at least termly to the Full Governors and Finance Committee to discuss the current position and decisions on spending.

We have strict procedures and policies in place to comply with Academy financial regulations. We are able to show that we have considered the risks of irregularity and fraud and have measures in place to avoid these.

We keep an up to date Risk Register, which is a working document and is reviewed annually by the Board of Directors. It enables us to identify areas of weakness which make us more vigilant.

As an academy we regularly look at our services and contracts to check if they need to be appraised or renegotiated to get the best mix of quality and effectiveness for the least cost. In a number of cases we are utilising the valuable people and skills we already have working in the Federation enabling us to make a further saving.

Wherever possible we request annual service charges to be invoiced to us on a monthly/quarterly basis so that the cost can be evenly spread over the financial year to minimise impact on cash flow. Bank reconciliations are performed on a monthly basis to monitor cash flow.

We now adopt best practice in terms of prudence and financial management. Where possible a tender process is undertaken for any supplies or services over an agreed amount, this has driven down costs so as to obtain value for money.

The Academy Trust is aware that it must continue to develop procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost.

The school site is shared with the community centre and is subject to a joint use agreement. As a result, the school is unable to generate extra income through lettings out of school hours. However, the community centre does contribute towards our utility bills and maintenance and running costs.

Curriculum targets during the academic year have focused on further enhancing teaching and learning provision, particularly in Mathematics and English, to both increase rates of progress and raise attainment. This has included improved provision for pupils to develop confidence and self-esteem, alongside developing the progressive teaching of specific skills throughout the school, in all aspects of English and Maths.

Identified groups of pupils have also benefited from bespoke programmes and initiatives, including pupils having been identified as 'Gifted and Talented' in Mathematics, attending problem solving workshop days alongside similarly identified pupils from other local schools, and identified children have undertaken Maths and Literacy Ambassador activities, designed to build self-esteem and confidence as well as raising attainment levels.

Review of Value for Money

Teaching staff members in Early Years, Key Stage 1 and Key Stage 2 have undertaken 'Talk for Writing' and 'THRASS' training through the Activate Network of local schools. This has focused on developing skills and providing pupils with an effective approach to writing.

The school benefits from membership of the Activate network, a group of 35 local Primary Schools working collaboratively to deliver high quality Continuing Professional Development for teachers and teaching assistants, as well as providing opportunities for groups of pupils from different schools to work together in activities such as the Gifted and Talented workshops, the Literacy and Maths Ambassador programmes and Moving Targets dance performance at the Courtyard Theatre.

The Early Years teacher has met on a regular basis to assess, moderate and plan for progression alongside other Federation Early Years teachers. This has been supported by the effective deployment of staff to enable all Early Years teachers to meet together and support and review assessment in each school.

Staffing structures have been regularly reviewed and adapted to meet the needs of pupils. As an example, specialist staff members are employed to deliver French and PE sessions throughout the year. Music provision has been further enhanced by the purchase of Wider Opportunities Programme enabling classes of children to learn specific instruments.

Support staff have been redeployed as necessary to allow small group work at specific times within the school day, for example focused phonics teaching and reading development. Teaching Assistants are employed in the role of Cover Supervisor to cover teaching staff absences and greatly reduce the necessity to employ supply or agency staff.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Marden Primary Academy for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy trust 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 trust's significant risks that has been in place for the period 1 September 2014 to 31 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 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 Full Governing Body 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;

The Risk and Control Framework

- 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. Regular checks are made on the Academy Trust's financial systems.

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

Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Reviewer;
- 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.

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

.....
M Williams - Chairman

.....
M Newton - Accounting Officer

Marden Primary Academy

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2015

As accounting officer of Marden Primary Academy I have considered my responsibility to notify the academy trust 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 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 governors 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 governors and EFA.

.....
M Newton - Accounting Officer

Date:

Statement of Governors Responsibilities
for the Year Ended 31 August 2015

The governors (who act as trustees of Marden Primary Academy 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 trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust 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 2005;
- 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 trust will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust 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 trust 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 trust 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 trust'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 are responsible for the maintenance and integrity of the corporate and financial information included on the academy trust's website.

The Governors Report, incorporating a strategic report, was approved by the board of governors, as the company directors on and signed on its behalf by:

.....
M Williams - Chairman

We have audited the financial statements of Marden Primary Academy for the year ended 31 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 (EFA).

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 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 trust and the academy trust'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, 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.

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 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 trust's affairs as at 31 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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.

Mr Kevin 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:

Note:

The maintenance and integrity of the Marden Primary Academy website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent Reporting Accountant's Assurance Report on Regularity to Marden Primary Academy 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 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Marden Primary Academy during the period 1 September 2014 to 31 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 Marden Primary Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Marden Primary Academy 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 Marden Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Marden Primary Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Marden Primary Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 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 period 1 September 2014 to 31 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 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 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:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose 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
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters

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

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

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 22 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 1 September 2014 to 31 August 2015 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:

Marden Primary Academy

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2015

				Year Ended 31.8.15	Period 4.12.13 to 31.8.14	
	Unrestricted fund	Restricted Fixed Asset Fund	Restricted General Fund	Total funds	Total funds	
Notes	£	£	£	£	£	
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	3	-	4,978	17,181	22,159	14,444
Voluntary income - Transfer from Local Authority on conversion	23	-	-	-	-	1,413,126
Activities for generating funds	4	5,260	-	17,667	22,927	9,149
Investment income	5	97	-	-	97	42
Incoming resources from charitable activities						
Academy's educational operations	6	-	-	434,571	434,571	294,083
Total incoming resources		5,357	4,978	469,419	479,754	1,730,844
RESOURCES EXPENDED						
Charitable activities						
Academy's educational operations	8	5,259	26,260	428,322	459,841	299,891
Governance costs	9	-	-	9,108	9,108	5,799
Other resources expended -						
Transfer from Local Authority on conversion	23	-	-	-	-	144,000
Total resources expended	7	5,259	26,260	437,430	468,949	449,690
NET INCOMING RESOURCES		98	(21,282)	31,989	10,805	1,281,154
Other recognised gains/losses						
Actuarial gains/losses on defined benefit schemes		-	-	(7,000)	(7,000)	(20,000)
Net movement in funds		98	(21,282)	24,989	3,805	1,261,154

The notes form part of these financial statements

Marden Primary Academy

Statement of Financial Activities - continued
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2015

				Year Ended 31.8.15	Period 4.12.13 to 31.8.14
	Unrestricted fund	Restricted Fixed Asset Fund	Restricted General Fund	Total funds	Total funds
Notes	£	£	£	£	£
RECONCILIATION OF FUNDS					
Total funds brought forward	31,965	1,359,367	(130,178)	1,261,154	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u>32,063</u>	<u>1,338,085</u>	<u>(105,189)</u>	<u>1,264,959</u>	<u>1,261,154</u>

All of the academy trust's activities derive from acquisitions in the current year.

Balance Sheet
At 31 August 2015

	Notes	31.8.15 £	31.8.14 £
FIXED ASSETS			
Tangible assets	13	1,333,347	1,354,399
CURRENT ASSETS			
Debtors	14	17,713	26,724
Cash at bank and in hand		<u>110,343</u>	<u>68,714</u>
		128,056	95,438
CREDITORS			
Amounts falling due within one year	15	(19,444)	(22,683)
NET CURRENT ASSETS		<u>108,612</u>	<u>72,755</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,441,959	1,427,154
PENSION LIABILITY	20	(177,000)	(166,000)
NET ASSETS		<u><u>1,264,959</u></u>	<u><u>1,261,154</u></u>
FUNDS	19		
Unrestricted funds:			
Unrestricted fund		32,062	31,965
Restricted funds:			
Restricted Pension Fund		(177,000)	(166,000)
General Annual Grant		51,095	20,978
Other Restricted		12,404	12,761
Other Dfe/EFA Grants		8,313	2,083
DfE/YPLA Capital Grants		9,657	4,968
Conversion and depreciation		<u>1,328,428</u>	<u>1,354,399</u>
		<u>1,232,897</u>	<u>1,229,189</u>
TOTAL FUNDS		<u><u>1,264,959</u></u>	<u><u>1,261,154</u></u>

Marden Primary Academy (Registered number: 08802427)

Balance Sheet - continued

At 31 August 2015

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 and authorised for issue by the Board of Governors on and were signed on its behalf by:

.....
M Williams -Chairman

Marden Primary Academy

Cash Flow Statement
for the Year Ended 31 August 2015

		Year Ended 31.8.15 £	Period 4.12.13 to 31.8.14 £
Net cash inflow from operating activities	Notes 1	41,761	22,290
Cash transferred on conversion to an academy	23	-	41,414
Returns on investments and servicing of finance	2	97	42
Capital expenditure and financial investment	2	(229)	4,968
Increase in cash in the period		<u>41,629</u>	<u>68,714</u>

Reconciliation of net cash flow to movement in net debt

	3		
Increase in cash in the period		<u>41,629</u>	<u>68,714</u>
Change in net debt resulting from cash flows		<u>41,629</u>	<u>68,714</u>
Movement in net debt in the period		41,629	68,714
Net debt at 1 September		<u>68,714</u>	<u>-</u>
Net debt at 31 August		<u>110,343</u>	<u>68,714</u>

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

Notes to the Cash Flow Statement
for the Year Ended 31 August 2015

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

	Year Ended 31.8.15 £	Period 4.12.13 to 31.8.14 £
Net incoming resources	10,805	1,281,154
Depreciation charges	26,260	17,314
Capital grants from DfE/EFA	(4,979)	(4,968)
Transfer from Local Authority on conversion	-	(1,269,127)
Interest received	(97)	(42)
Pension finance income	4,000	2,000
Decrease/(increase) in debtors	9,011	(26,724)
(Decrease)/increase in creditors	<u>(3,239)</u>	<u>22,683</u>
Net cash inflow from operating activities	<u>41,761</u>	<u>22,290</u>

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

	Year Ended 31.8.15 £	Period 4.12.13 to 31.8.14 £
Returns on investments and servicing of finance		
Interest received	<u>97</u>	<u>42</u>
Net cash inflow for returns on investments and servicing of finance	<u>97</u>	<u>42</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(5,208)	-
Capital grants from DfE/EFA	<u>4,979</u>	<u>4,968</u>
Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(229)</u>	<u>4,968</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.14 £	Cash flow £	At 31.8.15 £
Net cash:			
Cash at bank and in hand	68,714	41,629	110,343
Total	<u>68,714</u>	<u>41,629</u>	<u>110,343</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 2014 to 2015 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 included on the Statement of Financial Activities when the academy trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants receivable

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

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

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

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 goods, facilities and services

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.

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.

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:

Leasehold buildings	2% per annum
Fixtures, fittings and equipment	15-20% per annum
ICT 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 straight line basis over the lease term.

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.

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives 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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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 Note 20, 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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

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 Marden 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 Marden Primary Academy. 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 23.

2. GENERAL ANNUAL GRANT

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

3. VOLUNTARY INCOME

	Year Ended 31.8.15 £	Period 4.12.13 to 31.8.14 £
Donations	4,720	-
Grants	4,979	4,968
School trip etc	<u>12,460</u>	<u>9,476</u>
	<u>22,159</u>	<u>14,444</u>

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

	Year Ended 31.8.15 £	Period 4.12.13 to 31.8.14 £
Capital Grant	<u>4,979</u>	<u>4,968</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Year Ended 31.8.15 £	Period 4.12.13 to 31.8.14 £
Income from other schools	17,667	5,188
Income from other organisations	<u>5,260</u>	<u>3,961</u>
	<u>22,927</u>	<u>9,149</u>

5. INVESTMENT INCOME

	Year Ended 31.8.15 £	Period 4.12.13 to 31.8.14 £
Deposit account interest	<u>97</u>	<u>42</u>

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

	Unrestricted funds £	Restricted funds £	Year Ended 31.8.15 Total funds £	Period 4.12.13 to 31.8.14 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	377,077	377,077	252,372
Other DFE/EFA Grants	-	<u>44,206</u>	<u>44,206</u>	<u>36,366</u>
	-	421,283	421,283	288,738
Other government grant				
Other Government Grants	-	<u>13,288</u>	<u>13,288</u>	<u>5,345</u>
	-	<u>434,571</u>	<u>434,571</u>	<u>294,083</u>

7. RESOURCES EXPENDED

		Non-pay expenditure		Year Ended	Period
	Staff costs	Premises	Other costs	31.8.15	4.12.13
	£	£	£	Total	to
				£	31.8.14
					Total
					£
Charitable activities					
Academies educational operations					
Direct costs	212,942	21,000	37,290	271,232	182,663
Allocated support costs	<u>121,456</u>	<u>20,449</u>	<u>46,704</u>	<u>188,609</u>	<u>117,228</u>
	334,398	41,449	83,994	459,841	299,891
Governance costs including allocated support costs	-	-	9,108	9,108	5,799
Other resources expended - Transfer from Local Authority on conversion	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,000</u>
	<u>334,398</u>	<u>41,449</u>	<u>93,102</u>	<u>468,949</u>	<u>449,690</u>

Net resources are stated after charging/(crediting):

	Year Ended	Period
	31.8.15	4.12.13
	£	to
		31.8.14
		£
Auditors' remuneration	9,108	5,799
Depreciation - owned assets	26,260	17,314
Operating leases	<u>1,225</u>	<u>-</u>

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds		Restricted funds	Year Ended	Period
	£		£	31.8.15	4.12.13
				Total	to
				£	31.8.14
					Total
					funds
					£
Direct costs					
Teaching and educational support staff	-		212,942	212,942	146,543
Carried forward	-		212,942	212,942	146,543

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Year Ended			Period
	31.8.15			4.12.13
	Unrestricted	Restricted	Total	to
	funds	funds	funds	31.8.14
	£	£	£	Total
				funds
				£
Direct costs				
Brought forward	-	212,942	212,942	146,543
Depreciation	-	21,000	21,000	17,314
Educational supplies	217	20,866	21,083	14,018
Educational consultancy	-	12,207	12,207	2,788
Other direct costs	-	4,000	4,000	2,000
	<u>217</u>	<u>271,015</u>	<u>271,232</u>	<u>182,663</u>
Allocated support costs				
Support staff costs	-	121,456	121,456	71,434
Depreciation	-	5,260	5,260	-
Administrative supplies	-	5,975	5,975	4,267
Recruitment and support	-	7,423	7,423	4,960
Maintenance of premises and equipment	5,042	1,570	6,612	5,574
Cleaning	-	740	740	536
Rent and rates	-	2,459	2,459	1,863
Energy costs	-	6,574	6,574	4,148
Insurance	-	4,064	4,064	1,804
Professional fees	-	20,857	20,857	21,220
Catering	-	7,037	7,037	1,187
Other support costs	-	152	152	235
	<u>5,042</u>	<u>183,567</u>	<u>188,609</u>	<u>117,228</u>
	<u>5,259</u>	<u>454,582</u>	<u>459,841</u>	<u>299,891</u>

9. GOVERNANCE COSTS

	Year Ended		Period
	31.8.15		4.12.13
	£	£	to
			31.8.14
			£
			£
Auditors' remuneration		<u>9,108</u>	<u>5,799</u>

10. GOVERNORS' REMUNERATION AND BENEFITS

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 and other benefits received during the period, was as follows:

M Newton (staff trustee):	Remuneration	£55,000 - £60,000	(2014: £35,000 - £40,000)
	Employers Pension Contributions	£5,000 - £10,000	(2014: £0 - £5,000)
Z Rudge (staff trustee):	Remuneration	£40,000 - £45,000	(2014: £25,000 - £30,000)
	Employers Pension Contributions	£5,000 - £10,000	(2014: £0 - £5,000)
H King (staff trustee):	Remuneration	£10,000 - £15,000	(2014: £5,000 - £10,000)
	Employers Pension Contributions	£0 - £5,000	(2014: £0 - £5,000))

2014 figures represent a 8 month period.

Other related party transactions involving the trustees are set out in the Related Parties Disclosure.

Governors' expenses

During the period ended 31 August 2015, travel and subsistence expenses totalling £Nil (2014: £53) were reimbursed to no governors (2014: 1 governor).

In 2014, the Academy contributed to the Ofsted Inspector training of M Newton. The amount contributed was £1,500 out of a total cost of £2,500.

11. STAFF COSTS

	Year Ended 31.8.15 £	Period 4.12.13 to 31.8.14 £
Wages and salaries	275,376	179,033
Social security costs	17,081	9,487
Other pension costs	<u>41,795</u>	<u>26,657</u>
	334,252	215,177
Supply teacher costs	<u>146</u>	<u>2,800</u>
	<u><u>334,398</u></u>	<u><u>217,977</u></u>

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

	Year Ended 31.8.15	Period 4.12.13 to 31.8.14
Teachers	3	3
Administration and Support	3	3
Management	<u>4</u>	<u>3</u>
	<u><u>10</u></u>	<u><u>9</u></u>

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

	Year Ended 31.8.15	Period 4.12.13 to 31.8.14
£60,001 - £70,000	<u>1</u>	<u>1</u>

The above employee participated in the Teacher's Pension Scheme.

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 2015 was £62 (2014: £76).

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2014	1,356,000	2,000	13,713	1,371,713
Additions	-	-	5,208	5,208
At 31 August 2015	<u>1,356,000</u>	<u>2,000</u>	<u>18,921</u>	<u>1,376,921</u>
DEPRECIATION				
At 1 September 2014	14,000	267	3,047	17,314
Charge for year	<u>21,000</u>	<u>400</u>	<u>4,860</u>	<u>26,260</u>
At 31 August 2015	<u>35,000</u>	<u>667</u>	<u>7,907</u>	<u>43,574</u>
NET BOOK VALUE				
At 31 August 2015	<u>1,321,000</u>	<u>1,333</u>	<u>11,014</u>	<u>1,333,347</u>
At 31 August 2014	<u>1,342,000</u>	<u>1,733</u>	<u>10,666</u>	<u>1,354,399</u>

Leasehold land and buildings are subject to a 125 year lease with the local authority.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.15 £	31.8.14 £
Trade debtors	7,500	-
Other debtors	-	4,261
VAT	514	4,018
Prepayments and accrued income	<u>9,699</u>	<u>18,445</u>
	<u>17,713</u>	<u>26,724</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.15	31.8.14
	£	£
Trade creditors	-	1,166
Social security and other taxes	10,112	9,734
Other creditors	16	69
Accruals and deferred income	7,271	11,072
Accrued expenses	<u>2,045</u>	<u>642</u>
	<u>19,444</u>	<u>22,683</u>

Deferred income

	£
Deferred income at 1 September 2014	11,072
Resources deferred in the year	7,271
Amounts released from previous years	<u>(11,072)</u>
Deferred income at 31 August 2015	<u>7,271</u>

At the balance sheet date the academy trust was holding funds received in advance for Free School Meal grant relating to Autumn 2015 term.

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	31.8.15	31.8.14
	£	£
Expiring:		
Between one and five years	<u>1,768</u>	<u>-</u>

17. 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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.8.15	31.8.14
	Unrestricted fund	Restricted Fixed Asset Fund	Restricted General Fund	Total funds	Total funds
	£	£	£	£	£
Fixed assets	-	1,333,347	-	1,333,347	1,354,399
Current assets	32,062	4,738	91,256	128,056	95,438
Current liabilities	-	-	(19,444)	(19,444)	(22,683)
Pension liability	-	-	(177,000)	(177,000)	(166,000)
	<u>32,062</u>	<u>1,338,085</u>	<u>(105,188)</u>	<u>1,264,959</u>	<u>1,261,154</u>

19. MOVEMENT IN FUNDS

	At 1.9.14 £	Net movement in funds £	At 31.8.15 £
Unrestricted funds			
Unrestricted fund	31,965	97	32,062
Restricted funds			
Restricted Pension Fund	(166,000)	(11,000)	(177,000)
General Annual Grant	20,978	30,117	51,095
Other Restricted	12,761	(357)	12,404
Other Dfe/EFA Grants	2,083	6,230	8,313
DfE/YPLA Capital Grants	4,968	4,689	9,657
Conversion and depreciation	<u>1,354,399</u>	<u>(25,971)</u>	<u>1,328,428</u>
	<u>1,229,189</u>	<u>3,708</u>	<u>1,232,897</u>
TOTAL FUNDS	<u>1,261,154</u>	<u>3,805</u>	<u>1,264,959</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

19. MOVEMENT IN FUNDS - continued

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	5,357	(5,260)	-	97
Restricted funds				
General Annual Grant	377,080	(346,963)	-	30,117
Other Restricted	48,132	(48,489)	-	(357)
Other Dfe/EFA Grants	44,207	(37,977)	-	6,230
DfE/YPLA Capital Grants	4,978	(289)	-	4,689
Conversion and depreciation	-	(25,971)	-	(25,971)
Restricted Pension Fund	-	(4,000)	(7,000)	(11,000)
	474,397	(463,689)	(7,000)	3,708
TOTAL FUNDS	<u>479,754</u>	<u>(468,949)</u>	<u>(7,000)</u>	<u>3,805</u>

The specific purpose 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 2015.
- 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 the Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

20. PENSION AND SIMILAR OBLIGATIONS

The academy trust'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 Worcestershire County Council. 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 related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £5,173 (2014: £4,965) were payable to the schemes at 31 August 2015 and are included within creditors.

20. 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (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
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the 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 1 April 2019.

The pension costs paid to TPS in the period amounted to £35,360 (2014: £23,141).

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.

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2015 was £26,878, of which employer's contributions totalled £20,579 and employees' contributions totalled £6,299. The agreed contribution rates for future years are 16.3 per cent for employers and between 5.5 and 9.9 per cent for employees.

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

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 16.3% of payroll plus phased lump sum deficit contributions starting at £7,000 for the year to 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	
	31.8.15	31.8.14
	£	£
Present value of funded obligations	(220,000)	-
Fair value of plan assets	<u>43,000</u>	<u>16,000</u>
	<u>(177,000)</u>	<u>16,000</u>
(Deficit)/surplus	<u>(177,000)</u>	<u>16,000</u>
(Liability)/asset	<u>(177,000)</u>	<u>16,000</u>

20. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	31.8.15	31.8.14
	£	£
Current service cost	19,000	10,000
Interest cost	8,000	4,000
Expected return	<u>(2,000)</u>	<u>-</u>
	<u>25,000</u>	<u>14,000</u>
Actual return on plan assets	<u>-</u>	<u>-</u>

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

	Defined benefit pension plans	
	31.8.15	31.8.14
	£	£
Defined benefit obligation	(182,000)	-
Current service cost	(19,000)	(10,000)
Contributions by scheme participants	(6,000)	(4,000)
Interest cost	(8,000)	(4,000)
Actuarial losses/(gains)	(5,000)	(20,000)
Business combinations	<u>-</u>	<u>(144,000)</u>
	<u>(220,000)</u>	<u>(182,000)</u>

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

	Defined benefit pension plans	
	31.8.15	31.8.14
	£	£
Fair value of scheme assets	16,000	-
Contributions by employer	21,000	12,000
Contributions by scheme participants	6,000	4,000
Expected return	2,000	-
Actuarial gains/(losses)	<u>(2,000)</u>	<u>-</u>
	<u>43,000</u>	<u>16,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

20. 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	
	31.8.15	31.8.14
Equities	89.3%	92.3%
Equities	0.1%	0%
Bonds - other	6.1%	6.5%
Cash/liquidity	1%	1.2%
Other	3.5%	0%

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

	Expected return at 31 August 2015	Fair value at 31 August 2015	Expected return at 31 August 2014	Fair value at 31 August 2014
		£		£
Equities	6.5%	38,000	7.0%	15,000
Other bonds	3.6%	3,000	3.8%	1,000
Other	6.5%	2,000		-
Total market value of assets		43,000		16,000
Present value of scheme liabilities - Fund		(220,000)		(182,000)
Surplus/ (deficit) in the same scheme		(177,000)		(166,000)

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

	31.8.15	31.8.14
Discount rate	4%	4%
Expected return on scheme assets	5.97%	6.42%
Future salary increases	3.8%	3.7%
Future pension increases	2.3%	2.2%
Inflation assumption (CPI)	2.3%	2.2%

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

20. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	At 31 August 2015	At 31 August 2014
Retiring today		
Males	23.4	23.3
Female	25.8	25.7
Retiring in 20 years		
Males	25.6	25.5
Females	28.1	28

Amounts for the current and previous period are as follows:

	31.8.15 £	31.8.14 £
Defined benefit pension plans		
Defined benefit obligation	(220,000)	(182,000)
Fair value of scheme assets	43,000	16,000
Deficit	(177,000)	(166,000)
Experience adjustments on scheme assets	(2,000)	-

The estimated value of employer contributions for the period ended 31 August 2016 is £21,000.

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 recognised in the statement of financial activities since the adoption of FRS 17 is a £27,000 loss (2014: £20,000 loss).

21. CONTINGENT LIABILITIES

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

22. RELATED PARTY DISCLOSURES

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year to 31 August 2015 payments totalling £Nil (2014: £110) were made to Calon Services Limited, a company in which Peter Box is a director and shareholder, for the provision of staff training. There was no amounts outstanding at the year end (2014: £Nil). No further transactions

During the year to 31 August 2015 Marden Primary Academy invoiced Calon Services Limited £Nil (2014: £2,917) in respect of Executive Headteacher services provided at St Weonards Primary School. There was no amounts outstanding at the year end (2014: £Nil).

During the year to 31 August 2015 payments totalling £3,154 (2014: £3,270) were made to Activate Educational Ltd, a not for profit company in which Peter Box and Margaret Newton are directors of, for the provision of staff training. There was no amounts outstanding at the year end (2014: £Nil).

A joint contract is in place between Marden Primary Academy and Margaret Newton with St Weonards Primary School to provide an executive headship service. For the year ended 31 August 2015 Marden Primary School received £10,000 and Margaret Newton received £10,000 for the service provided.

During the year to 31 August 2015 Marden Primary Academy invoiced St Weonards Primary School £10,000 (2014: £1,667) in respect of Executive Headteacher services provided. Margaret Newton is the Executive Headteacher of the school. There was no amounts outstanding at the year end (2014: £1667 due to the academy).

During the year to 31 August 2015 income totalling £Nil (2014: £605) was received and £14,591 (2014: £8,630) was paid to The Hereford Marches Federation of Academies, an academy which Peter Box is a Governor of. There was no amounts outstanding at the year end (2014:£Nil).

During the year to 31 August 2015 income of £7,500 (2014: £Nil) was received from HMFA Enterprises Limited, a subsidiary company of The Hereford Marches Federation of Academies, in relation to teacher training placements. There was £7,500 due to the academy at the year end (2014:£Nil).

23. CONVERSION TO AN ACADEMY

On 1st January 2014 the Marden Primary Academy converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Marden Primary Academy 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	Restrict ed	Restricted	Restricted	Total
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Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

	Funds	General Fund	Pension Fund	Fixed Asset Fund	
	£	£	£	£	£
Incoming resources					
Leasehold land and buildings	-	-	-	1,356,000	1,356,000
Other tangible fixed assets					
Surplus funds	-	-	-	15,713	15,713
Budget surplus / (deficit) on other school funds	31,923	9,491	-	-	41,414
Resources expended					
LGPS Pension liability	-	-	(144,000)	-	(144,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	<u>31,923</u>	<u>9,491</u>	<u>(144,000)</u>	<u>1,371,713</u>	<u>1,269,127</u>

The above net assets include £41,414 that was transferred as cash.

Leasehold land and buildings were transferred at valuation which was commissioned by the Education Funding Agency. Other tangible fixed assets included fixtures and fittings and ICT equipment transferred at fair values.

Marden Primary Academy

Detailed Statement of Financial Activities
for the Year Ended 31 August 2015

	Year Ended 31.8.15 £	Period 4.12.13 to 31.8.14 £
INCOMING RESOURCES		
Voluntary income		
Donations	4,720	-
Grants	4,979	4,968
School trip etc	<u>12,460</u>	<u>9,476</u>
	22,159	14,444
Voluntary income - Transfer from Local Authority on conversion	-	1,413,126
Activities for generating funds		
Income from other schools	17,667	5,188
Income from other organisations	<u>5,260</u>	<u>3,961</u>
	22,927	9,149
Investment income		
Deposit account interest	97	42
Incoming resources from charitable activities		
Grants	<u>434,571</u>	<u>294,083</u>
Total incoming resources	479,754	1,730,844
RESOURCES EXPENDED		
Charitable activities		
Wages	176,658	120,823
Social security	14,868	8,083
Pensions	21,270	14,837
Supply teacher costs	146	2,800
Educational supplies	21,083	14,018
Educational consultancy	12,207	2,788
Long leasehold	21,000	17,314
Expected return on pension scheme assets	<u>4,000</u>	<u>2,000</u>
	271,232	182,663

