

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND
ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2015

Members

A May¹
S Stowger (resigned 31 August 2015)
J Williams

Trustees

D Brooks¹
M Brown
C Davies, Staff Trustee¹
A Kitchen, Headteacher (resigned 31 August 2015)¹
J Shephard, Appointed as Headteacher August 2015¹
S Stowger (resigned 31 August 2015)
D Sprason¹
J Williams, Chair of Trustees¹
J Crowhurst
T Jesson

¹ Finance and General Purpose Committee

Company registration number

08423518

Principal and registered office

Mercenfeld Primary School
Oakfield Avenue
Markfield
Leicestershire
LE67 9WG

Senior management team

A Kitchen, Headteacher resigned August 2015
J Shephard, Headteacher from August 2015

Independent auditors

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2015

Administrative details (continued)

Bankers

National Westminster Bank Plc
Market Place
Leicester
LE11 3NZ

Solicitors

Howes Percival
3 The Osiers Business Centre
Leicester
Leicestershire
LE19 1DX

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also Governors and directors of the charitable company for the purposes of the Companies Act) present their annual report together with the audited financial statements of Mercenfeld Primary School (the Academy) for the year ended 31 August 2015. The Trustees confirm that the Annual Report and financial statements of the Academy comply with current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Trust operates an Academy for pupils aged 4-11 serving a catchment area in Markfield. It has a pupil capacity of 300 and had a roll of 324 in the school census October 2015.

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 Trustees of Mercenfeld Primary School are also the directors (and Governors) of the charitable company for the purposes of company law. The charitable company is known as Mercenfeld Primary School Academy.

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

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.

TRUSTEES' INDEMNITIES

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides governors' liability cover up to £10,000,000 on any one loss and any one membership year. The cost of the insurance for the year ended 31 August 2015 is included in the total insurance cost of £30,000 paid under the Department for Education's Risk Protection Arrangement, (RPA). The RPA is not an insurance scheme but is a mechanism through which the costs of risks that materialise from 1 September 2014 are covered by government funds. In the previous year, the insurance provided cover up to £3,000,000 and the cost was £1,800.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are appointed through nomination and election (Staff, Parent Trustee positions) and Community Trustee were appointed at the inception of the Academy. Terms of office for a Trustee are based upon four years. Members may appoint up to 12 Trustees. Trustees may Co-opt up to 2 Trustees.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustee induction training alongside a menu of extensive specialised training is available through the local network of schools to support all new Trustees. The Academy buys into the Local Authority Governor Development Service who across the Governing Body offer further Governor Training. A skills matrix is being developed to identify areas of strength and weakness.

ORGANISATIONAL STRUCTURE

A unified management structure is utilised to ensure the Academy is run effectively. The structure consists of two levels, the Trustees and the Headteacher/Senior Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy is an independent company in all aspects. The Oaks Umbrella Trust (Registered Company Number 8407770) is an 'umbrella' trust within which members of Mercenfeld Primary School, Thornton Primary School, Stanton under Bardon Primary School and South Charnwood High School each contribute and account for one quarter of the Trust. The primary aim of The Oaks Umbrella Trust is to support each other as we change the age range of local schools. The Oaks Umbrella Trust holds no funds.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The objects of the charitable company are the operation of Mercenfeld Primary School to provide education for pupils of different abilities between the ages of 4 and 11.

The main objectives of the Academy are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Academy's main strategy is encompassed in its mission statement which is 'Love to Learn, Have Fun and Make a Difference.'

At Mercenfeld Primary School we aim to provide a safe, happy and stimulating learning environment which enables each child to reach his/her full potential by:

- working as an efficient, dynamic team comprising of children, staff, parents, The Governing Body and

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- other external stakeholders.
- Providing a stimulating, broad range of teaching experiences tailored to the individual needs of the child, promoting good standards of behaviour, health and wellbeing.
- Promoting an emotionally intelligent environment where all members of the school community model a high standard of respect and tolerance.
- Promoting equality for all.
- Promoting links with other schools, recognising our needs and nurturing strengths.

As a result of such an environment we hope that our children will become independent, resilient learners who demonstrate respect and ambition for their future.

Key Priority 1

New Curriculum - Implementation, monitoring and evaluation

Objective	Outcome	Who	Where to find evidence?	Impact/Action	Next Steps
Provide information on the new curriculum on our website	Parents aware of expectations and topics being covered	IT/ CTs	Website/parents' forum	On Website Sep	Discuss at Parents' forum - Done
Place planning on the new shared google drive	SLT able to look at planning of the new curriculum looking at coverage etc. Teachers able to look at planning in other Year groups	CTs	Google Drive Middle Leader monitoring feedback	On from October – Training added to ensure all could access MB	Look at planning for the individual – linked to 1ppp Summer term
Match English and Maths planning to assessment expectations	Children better able to meet new expectations	CTs/ Maths/English	Google Drive, English and Maths leader feedback	Maths completed January	Some inconsistencies to address at staff meeting
Language of Discover, Explore and Create introduced	Children able to structure their learning	CTs	Google Drive Lesson Obs	Input in staff meeting in July. In use in most classes in topic	Discuss at staff meeting in June
Year Groups/Key Stages sharing Successes	Good ideas shared improving T+L across the school	All	Staff meeting minutes, Learning walks		
Subject Leaders leading a staff meeting	New curriculum subject coverage monitored. Development for Teachers	Non Core Leads	Staff meeting minutes		

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Governors informed of curriculum changes through Learning and Achievement Committee	Governors know what is being taught and how it is being monitored	JS/AK	Learning and Achievement minutes	Input into Governors meeting in November	Further feedback in March
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Key Priority 2

New Assessment - Implementation, monitoring and evaluation

Objective	Outcome	Who	Where to find evidence?	Impact/Action	Next Steps
Transfer old levels to new system	Children make continued progress	SLT	SIMs/tracking grids/ targets	Moderation activity in October with SA – baseline was not clear enough	First data point in December will be baseline for new system – moderate Feb
Teacher day used to launch Symphony Assessment System	Teachers begin to feel more confident about the system and its relevance	All Ts and HLTAs	Feedback from day/ Assessment materials produced	Training day with 13 schools in August	Repeat Aug 2015 after a year using – Conference in April to work with other schools
Moderation activities planned in	Teachers are confident using the new system	AK	Assessment judgments – new standards file?	Writing moderation March	Moderate in Staff meeting March
Class tracking sheets used by all teachers in English and Maths	Teachers can see and talk about all the interventions in and out of the classroom that have impacted on a child's learning / progress	Teachers	Class tracking sheets	Tacking sheets on the shared drive. Updated and used at pupil progress meetings in Jan	Review again in April
Marking policy used by all staff	Children continue to make good progress through the school. Evidence of progress can be seen	Teachers	Books, book scrutiny and lesson of feedback	Book scrutiny in October showed policy being used	Feedback pen introduced in KS2
New assessment folders in use	Children's learning and progress recorded	Teachers	Assessment sheets in English and Maths	Assessment sheets in use – checked Dec	Moderation for SLT to familiarise
Governors involved and informed of changes to assessment system and new expectations	Governors are aware of the new system and how this impacts on target setting and reporting to parents	SLT	Minutes of Learning and Achievement minutes, Headteacher reports.		

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

SEN leader assessing children earlier	Children's specific needs tracked earlier and better planning in place for them	JW	Assessments of Year 1 children/FS children		
Opportunities for Foundation Stage to moderate in staff meetings	Teachers confident in their assessments. Other teachers aware of expectations in FS	J7	Moderation evidence	Staff meeting held in January	More opportunities for support staff to moderate to ensure consistency

Key Priority 3

New Year Group - Curriculum, support, planning for assessment, Level 6

Objective	Outcome	Who	Where to find evidence?	Impact/Action	Next steps
Parents informed about Year 6 curriculum	Parents confident and trusting us to support learning in this new Year group	SLT/Year 6	Parents' forum/feedback from evening		
Secure assessments at the end of Year 5	Teachers in Year 6 able to show progress in Year 6 up to the test	SLT			
Children identified who require extra time	Children with SEN needs able to show maximum progress	JW	Extra time forms	AK/JW done Feb 15	Check children during Mock in March
List of children produced who are in danger of missing English or Maths Lvl 4	To support directing intervention to support these pupils	AK?	Pupil List identifying name and subject concern	Done by Eng/Maths and class Teachers.	Extra interventions used and planned including returning teacher
Transition activities planned for through ENRICH and local family of schools	Children comfortable with the change to secondary school	AK	Activities/ feedback from activities/ photos	Baking, talk the talk, science and engineering done. Yr 6 teambuilding	Look at transition of vulnerable children in summer term
Test preparation planned for – test material purchased	Children all able to maximise performance in the tests	Yr 6 Ts	Practice tests, lesson planning		

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Teachers attend relevant CPD	Teachers are confident teaching in Year 6 and up to date with relevant legislation	Yr 6/ JS	CPD log, minutes from Year 6 meetings	Teachers have attended Symphony Yr6 meetings together with LA training.	
Level 6 materials investigated and planned for	HAPs able to achieve a level 6 – good progress	Yr6/AK	Intervention materials/ CPD notes	Lv 6 maths lesson Jan onwards	Look at Lvl 6 reading/SPAG March

Key Priority 4

New Pupils - increasing intake, expanding school

Objective	Outcome	Who	Where to find evidence?	Impact/Action	Next steps
Bid for new building and hall	Larger space for PE and assemblies. Plan in place for longer term change from mobile to permanent housing	AK	Bid details, floor plans etc	Bid went in Dec	
Cost up various options for playground, car park and entrances	Better layout for learning spaces and more sensible entrance into school	AK/DM	Quotes	Still waiting on some prices, hope to have by March	
Review staffing structure in light of increased pupil numbers	Sustainable staffing in all areas of school	AK/Govs	Staffing structure, Pay policy	Plan created for Governors to approve	Strategic Gov meeting in March
Contact housing developer for support with entrance to school	Reduce walking distance to school from new housing. Reduce numbers coming through the same gate	AK/ Parish Council	Meeting notes?		
Review security of site	Staff, pupils and parents feel more secure	AK/ Govs	Walk around school – notes, plan	Some updates on signage required Jan 15	
System in place for new pupils joining school	Children have better induction and teachers/classes can prepare	AK/office	Entrance forms – entry data	Reference sheets produced for joining pupils Oct	

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

FS learning space reviewed	A base that allows teachers to see the outside space with covered areas for learning in all weathers	SLT/Govs	Walk around school- notes, plans/ costing	Conservatory needed together with easier link to the outside space	County informed of our space issue – Poss visit in the summer term
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PUBLIC BENEFIT

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. Public Benefit entities are reporting entities whose primary objective is to provide goods or services for the general benefit and where any equity has been provided with a view to supporting that primary objective rather than with a view to providing financial return.

The Trustees have invested in resources, including staffing, technology and support services to facilitate the education of the children of Mercenfeld Primary School.

STRATEGIC REPORT

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

ACHIEVEMENTS AND PERFORMANCE

Key Stage 1 Headline Data								
	L2C+		L2B+		L2A+		L3+	
	School/National		School/National		School/National		School/National	
Reading	84%	90%	72%	82%	39%	59%	23%	32%
Writing TA	75%	88%	49%	72%	18%	41%	5%	18%
Maths	91%	93%	63%	82%	40%	55%	12%	26%
Year 1 Phonics Ch	Year 1 Phonics check 62% achieved expectations (77% National)							

Pupil Totals	Number of Pupils
Pupils achieving L2+ in Reading, Writing and Maths	40
Pupils who didn't achieve in Reading, Writing and Maths	17
Total	57

Key Stage 2 Headline Data				
	Level 4+		Level 5+	
	School	National Draft	School	National Draft
Reading	95%	89%	45%	50%
Writing TA	76%	85%	5%	33%
EGPS	88%	76%	67%	39%
Maths	86%	86%	40%	42%
Combined maths English	84%	79%	20%	24%

KEY FINANCIAL PERFORMANCE INDICATORS

During our 2015 OFSTED, the school was graded "Good" in all areas. We received particular praise for our broad and exciting curriculum that ensures pupils enjoy coming to school and are enthusiastic learners.

All groups of children, including those with special educational needs make good progress.

GOING CONCERN

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

FINANCIAL REVIEW

The vast 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 DfE during the year ended 31 August 2015 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities'

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FOR THE YEAR ENDED 31 AUGUST 2015

(SORP 2005), capital grants received and expended are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The risks faced by the Academy are outlined in the Risk Register and the Trustees are continually aware and are monitoring any risks associated with the Academy.

RESERVES POLICY

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 21. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees, and represent 1 week's worth of Academy expenditure. The aim of the Trustees is to increase this reserve to meet future working capital requirements. 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 will be met by the Department for Education. The guarantee came into force on 18 July 2013.

Disclosure of funds in deficit is also included in the Funds Note in the financial statements note 17.

At 31 August 2015 the total funds comprised:

	£'000
Unrestricted	-
Restricted:	
Fixed asset funds	2,674
GAG	(32)
Pension reserve	(354)
Total	<u>2,288</u>

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

INVESTMENTS POLICY

Our investment procedures are taken from our Finance Policy.

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. Where surplus cash funds are held the Academy will consider options available to optimise returns whilst ensuring the investments are such that there is no risk to the loss of these cash funds. If it is identified that the Academy is holding a level of cash funds that will be surplus to requirements these may be invested only in the following:

Interest bearing accounts with:

- Lloyds TSB
- Natwest
- RBS
- Barclays
- HSBC
- Treasury deposits with maturity dates which do not result in the cash funds being unavailable for longer than 8 weeks.

On maturity of any investment the Finance Manager will review the level of funds that continue to be available for investment and the interest rates that can be achieved in order to optimise the benefits of any subsequent investment. The Headteacher shall be required to authorise the transfer of funds to any investment vehicle.

PRINCIPAL RISKS AND UNCERTAINTIES

The Principal risks facing the Academy are:

- Reputational risk – The risk is that Ofsted will judge us as less than good leading to fewer children joining the school. Risks are mitigated by working in partnership with Outstanding primary schools from Symphony. They provide challenge and ensure our judgements of the school are accurate.
- Performance risk – Performance risks are that KS1 and/or KS2 data falls below floor standards. The risks presented are mitigated by regular checks on the performance of children, staff training and the appointment of good or better teachers.
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by keeping up to date with information on funding, planning a budget for the next 3 years, regular budget monitoring and internal control measures.
- Risks associated with personnel – The risks are that we lose key personnel or find it hard to recruit new personnel. The risks are mitigated by excellent training opportunities for current and new employees. e.g. the Deputy Head has passed her NPQH.

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

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**TRUSTEES' REPORT (continued)
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

The plan for the future is to ensure that the children continue to make good to outstanding progress based on each individual's needs and abilities. To ensure that we can provide a setting that provides the best possible education and experiences for all the children within the setting. To ensure quality first teaching for all.

These outcomes will be achieved through:

- High quality, focused performance management that holds people to account in their role.
- Staff are kept up to date and experience relevant CPD that benefits the school.
- To put together detailed plans to extend/improve our building and outside space.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Transactions and balances undertaken in connection with the school fund (Friend's of Mercenfeld PTA) are included with the company's financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 1 December 2015 and signed on the board's behalf by:

.....
J Williams
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Mercenfeld 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 or loss.

The Board of Trustees 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 Mercenfeld Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A May	2	3
S Stowger	3	3
D Brooks	3	3
M Brown	3	3
C Davies, Staff Trustee	3	3
A Kitchen	3	3
J Shephard	3	3
D Sprason	1	3
J Williams, Chair of Trustees	3	3
J Crowhurst	3	3
T Jesson	1	3

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- To consider the impact of taking over the school kitchen and to agree on a business model that suits the schools needs.
- To consider the impact of increased numbers in KS2 on the available learning space. A large cohort of Year 3 children entered KS2 and impacted on the class sizes for Year 3/4. It was decided that discreet Year groups were to be made to avoid large classes. This meant the nursery who rented our spare classroom would no longer be able to provide their service from the school - a plan was discussed to pace notice and organise contractors to convert the room back into a classroom.
- The tracking of our school budget - considering a new finance package. A finance planning package was presented and discussed with Governors to help set up and plan for a 5 year forecast. The school has invested in this package to support planning for over the next 3 years.

During the year L Spencer, Clerk to Finance continued to provide detailed minutes for all 3 meetings.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Brooks	3	3
C Davies, Staff Trustee	3	3
A Kitchen	3	3
A May	2	3
J Shephard	2	3
S Strowger, Chair of Trustees	3	3
J Williams	3	3
T Jesson	1	3
D Sprason	1	3

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:

- Regular monitoring of the annual budget through monitoring the distribution of funds.
- Better purchasing - ensuring the best value of resources by taking advantage of the 'bulk buy' offered to us by our suppliers. Good value for money resources evaluated by budget holder and long term ordering put in place.
- The effective use of sports leader money ensured a wide variety of sports clubs available to all children impacting on our progress in sport.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Mercenfeld Primary School for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year ended 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 Trustees.

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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Service as internal auditor.

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

- Review of Academy's financial systems and procedures; and
- Review of internal controls.

On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Trustees are currently completing an audit of skills.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Actions taken as a result recommendations:

- Detailed finance minutes are being taken by appointed clerk;
- Spreadsheets are completed for trips and swimming to ensure full accountability of the money being taken;
- Bank reconciliations are now signed by the preparer and the reviewer;
- All budget holders authorise invoices; and
- Payroll reports are initialled by the Headteacher.

Approved by order of the members of the Board of Trustees on 1 December 2015 and signed on its behalf, by:

.....
J Williams
Chair of Trustees

.....
J Shephard
Accounting Officer

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Mercenfeld Primary School I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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 Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

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

.....
J Shephard
Accounting Officer

Date: 1 December 2015

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Mercenfeld Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:

.....
J Williams
Chair of Trustees

Date: 1 December 2015

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERCENFELD PRIMARY SCHOOL

We have audited the financial statements of Mercenfeld Primary School 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 Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustee's Responsibilities Statement, the Trustee (who are also the directors of the Academy 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's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERCENFELD PRIMARY SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ
15 December 2015

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
MERCENFELD PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mercenfeld Primary School during the year ended 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 Mercenfeld Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Mercenfeld Primary School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mercenfeld Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF MERCENFELD PRIMARY SCHOOL'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Mercenfeld Primary School's funding agreement with the Secretary of State for Education dated 27 February 2013, 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 year ended 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 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's income and expenditure.

The work undertaken to draw our conclusions includes:

- reviewing the information in the Financial Management and Governance Self-assessment (FMGS) and making appropriate enquiries of the Head Teacher;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
MERCENFELD PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

15 December 2015

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Note					
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	3	-	-	3
Activities for generating funds	3	37	18	-	55
Funding for the Academy Trust's educational operations	4	-	1,192	7	1,199
		<u>40</u>	<u>1,210</u>	<u>7</u>	<u>1,324</u>
TOTAL INCOMING RESOURCES					
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of activities for generating funds	5	26	-	-	26
Charitable activities:	6				
Academy Trust educational operations		-	1,299	49	1,348
Governance costs	7	-	10	-	10
		<u>26</u>	<u>1,309</u>	<u>49</u>	<u>1,367</u>
TOTAL RESOURCES EXPENDED					
	8	14	(99)	(42)	(127)
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS					

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Transfers between funds	17	(39)	15	24	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		(25)	(84)	(18)	(127)	(43)
Actuarial gains/(losses) on defined benefit pension schemes		-	5	-	5	(85)
NET MOVEMENT IN FUNDS FOR THE YEAR		(25)	(79)	(18)	(122)	(128)
<i>Total funds at 1 September 2014</i>		25	(307)	2,692	2,410	2,538
TOTAL FUNDS AT 31 AUGUST 2015		-	(386)	2,674	2,288	2,410

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 48 form part of these financial statements.

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08423518

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Tangible assets	14		2,674		2,692
CURRENT ASSETS					
Debtors	15	29		65	
Cash at bank		34		68	
		<u>63</u>		<u>133</u>	
CREDITORS: amounts falling due within one year	16	(95)		(78)	
			<u>(32)</u>		<u>55</u>
NET CURRENT (LIABILITIES)/ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			2,642		2,747
Defined benefit pension scheme liability	21		(354)		(337)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			2,288		2,410
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	(32)		30	
Restricted fixed asset funds	17	2,674		2,692	
		<u>2,642</u>		<u>2,722</u>	
Restricted funds excluding pension liability					
Pension reserve		(354)		(337)	
			<u>2,288</u>		<u>2,385</u>
Total restricted funds					
Unrestricted funds	17		-		25
			<u>2,288</u>		<u>2,410</u>
TOTAL FUNDS			2,288		2,410

The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2015 and are signed on their behalf, by:

.....
J Williams
Chair of Trustees

.....
J Shephard
Accounting Officer

The notes on pages 30 to 48 form part of these financial statements.

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	19	(10)	15
Capital expenditure and financial investment	20	(24)	(5)
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u>(34)</u>	<u>10</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £000	2014 £000
(Decrease)/Increase in cash in the year	<u>(34)</u>	<u>10</u>
MOVEMENT IN NET FUNDS IN THE YEAR	(34)	10
Net funds at 1 September 2014	<u>68</u>	<u>58</u>
NET FUNDS AT 31 AUGUST 2015	<u>34</u>	<u>68</u>

The notes on pages 30 to 48 form part of these financial statements.

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Fund accounting

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

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

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

1.3 Incoming resources

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

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

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

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

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

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

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

Charitable activities are costs incurred in the Academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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 are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

A review for impairment of 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 amount are recognised as impairments.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on leasehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold property	-	2% straight line per annum
Fixtures and fittings	-	10% straight line per annum

Land included in long leasehold property is not depreciated.

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Taxation

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

1.9 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the 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 vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits. Actuarial gains and losses are recognised immediately in other gains and losses.

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
PTA income	-	-	-	1
Other donations	3	-	3	-
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	3	-	3	1
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. FUNDRAISING INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Letting income	7	-	7	6
Afterschool activities income	-	18	18	7
Other income	2	-	2	5
Catering income	28	-	28	27
	<hr/>	<hr/>	<hr/>	<hr/>
	37	18	55	45
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
DfE/EFA revenue grants				
General annual grant (GAG)	-	985	985	914
Pupil premium	-	58	58	46
Capital grants	-	7	7	7
Other EFA/DfE	-	106	106	26
	-	1,156	1,156	993
Other government grants				
Local Authority grants	-	6	6	-
	-	6	6	-
Other funding				
Trip income	-	14	14	19
Swimming income	-	1	1	1
Other parental contributions	-	-	-	1
Insurance claims	-	9	9	256
Other income	-	13	13	8
	-	37	37	285
	-	1,199	1,199	1,278

5. COSTS OF ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Catering costs	26	-	26	37
Catering staff costs	-	-	-	3
	26	-	26	40

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. ACADEMY TRUST EDUCATIONAL OPERATIONS

	Total funds 2015 £000	<i>Total funds 2014 £000</i>
DIRECT COSTS		
Wages and salaries	770	605
National insurance	44	60
Pension costs	124	91
Depreciation	49	47
Educational supplies	28	41
Staff development	7	2
Other direct costs	10	55
Insurance	3	3
	1,035	<i>904</i>
SUPPORT COSTS		
Wages and salaries	101	87
National insurance	4	4
Pension costs	13	11
Pension finance costs (note 13)	6	9
Maintenance of premises and equipment	52	188
Cleaning	5	4
Rates	6	5
Energy costs	13	14
Insurance	30	8
Catering	11	-
Legal and professional	18	5
Other support costs	41	43
Bank charges and interest	13	38
	313	<i>416</i>
Total Academy's educational operations	1,348	<i>1,320</i>

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Internal audit costs	-	1	1	-
Auditors' remuneration	-	8	8	7
Auditors' non audit remuneration	-	1	1	-
	-	10	10	<i>7</i>
	-	10	10	<i>7</i>

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

8. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2015 £000	Premises 2015 £000	Other costs 2015 £000	2015 £000	2014 £000
Costs of generating funds	-	-	26	26	40
Costs of generating funds	-	-	26	26	40
Educational operations	938	49	48	1,035	904
Support costs	124	52	137	313	416
Charitable activities	1,062	101	185	1,348	1,320
Governance	-	-	10	10	7
	1,062	101	221	1,384	1,367

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2015 £000	2014 £000
Depreciation on fixed assets	49	47
Auditor's remuneration - audit services	9	7
Legal and professional fees	1	-
Operating lease rentals: - other operating leases	1	-
	60	61

MERCENFELD PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015	<i>2014</i>
	£000	<i>£000</i>
Wages and salaries	870	<i>686</i>
Social security costs	48	<i>64</i>
Other pension costs	137	<i>102</i>
	<hr/> 1,055	<hr/> <i>852</i>
Supply teacher costs	1	<i>9</i>
Pension finance costs (note 13)	6	<i>9</i>
	<hr/> 1,062 <hr/>	<hr/> <i>870</i> <hr/>

b. Staff numbers

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

	2015	<i>2014</i>
	No.	<i>No.</i>
Teaching staff	14	<i>11</i>
Support staff	17	<i>17</i>
Management	2	<i>2</i>
	<hr/> 33 <hr/>	<hr/> <i>30</i> <hr/>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. TRUSTEES' REMUNERATION AND EXPENSES

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

	2015	<i>2014</i>
	£000	<i>£000</i>
A Kitchen (Headteacher resigned 31 August 2015)	55-60	<i>55-60</i>
A Kitchen Employer's pension contributions	5-10	<i>5-10</i>
J Shephard (Headteacher)	40-45	<i>40-45</i>
J Shephard Employer's pension contributions	5-10	<i>5-10</i>
C Davis Staff Trustee	15-20	<i>10-15</i>
C Davis Employer's pension contributions	0-5	<i>0-5</i>

During the year, 3 Trustees received reimbursement of expenses of £323 (2014 - £212).

Other related party transactions involving the Trustees are set out in note 23.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides governors' liability cover up to £10,000,000 on any one loss and any one membership year. The cost of the insurance for the year ended 31 August 2015 is included in the total insurance cost of £30,000 paid under the Department for Education's Risk Protection Arrangement, (RPA). The RPA is not an insurance scheme but is a mechanism through which the costs of risks that materialise from 1 September 2014 are covered by government funds. In the previous year, the insurance provided cover up to £3,000,000 and the cost was £1,800.

13. PENSION FINANCE COST

	2015	<i>2014</i>
	£000	<i>£000</i>
Expected return on pension scheme assets	19	<i>14</i>
Interest on pension scheme liabilities	(25)	<i>(23)</i>
	(6)	<i>(9)</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

14. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Fixtures and fittings £000	Total £000
Cost			
At 1 September 2014	2,741	18	2,759
Additions	10	21	31
At 31 August 2015	<u>2,751</u>	<u>39</u>	<u>2,790</u>
Depreciation			
At 1 September 2014	65	2	67
Charge for the year	46	3	49
At 31 August 2015	<u>111</u>	<u>5</u>	<u>116</u>
Net book value			
At 31 August 2015	<u>2,640</u>	<u>34</u>	<u>2,674</u>
<i>At 31 August 2014</i>	<u>2,676</u>	<u>16</u>	<u>2,692</u>

Included in long leasehold property is leasehold land at a valuation of £435,100 (2014 - £435,100) which is not depreciated.

15. DEBTORS

	2015 £000	2014 £000
General debtors	2	1
VAT recoverable	2	9
Prepayments and accrued income	25	55
	<u>29</u>	<u>65</u>

16. CREDITORS:
Amounts falling due within one year

	2015 £000	2014 £000
Taxation and social security	14	13
Other creditors	16	12
Accruals	65	53
	<u>95</u>	<u>78</u>

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16. CREDITORS:
Amounts falling due within one year (continued)

	£000
Deferred income	
Deferred income at 1 September 2014	27
Resources deferred during the year	35
Amounts released from previous years	(27)
	35
Deferred income at 31 August 2015	35

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals, rates reimbursements and trip income in relation to funding for the next academic year.

17. STATEMENT OF FUNDS

	Brought forward £000	Incoming resources £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Carried forward £000
Unrestricted funds						
Unrestricted funds	25	40	(26)	(39)	-	-
	25	40	(26)	(39)	-	-
Restricted funds						
General Annual Grant (GAG)	2	985	(1,034)	15	-	(32)
Other DfE/EFA Grants	-	106	(106)	-	-	-
Pupil Premium	8	62	(70)	-	-	-
Local Authority grants	-	2	(2)	-	-	-
Other income	20	55	(75)	-	-	-
Pension reserve	(337)	-	(22)	-	5	(354)
	(307)	1,210	(1,309)	15	5	(386)
	(307)	1,210	(1,309)	15	5	(386)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	2,692	7	(49)	24	-	2,674
	2,692	7	(49)	24	-	2,674
Total restricted funds	2,385	1,217	(1,358)	39	5	2,288
Total of funds	2,410	1,257	(1,384)	-	5	2,288

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

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

General Annual Grant (GAG)

Funds from the Education Funding Agency for the provision of education, in line with the funding agreement. 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. Transfers of £24,000 from GAG funding to the restricted fixed asset fund represents contributions towards the fixed asset additions.

Other DfE/EFA grants

Other funds provided by the DfE/EFA for particular purposes within the Academy's educational operations.

Pupil premium

Additional funds from the Education Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

Other income

These consist of restricted income from all other sources to be used primarily for the Academy's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

Restricted fixed asset funds

The restricted fixed asset fund was funded predominantly by the fund inherited on conversion to an Academy from the Local Authority following the transfer of assets. It includes further amounts invested in fixed assets.

The Academy is carrying a net deficit of £32,000 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason.

In 14/15 the academy was funded for 296 children. The average number of children on roll throughout the year was 308. This resulted in underfunding for 12 pupils which would have resulted in an extra £30,185 on pupil numbers alone.

Pupil Premium and High Needs funding could also have increased accordingly. The Academy has several children with medical needs (cystic fibrosis and diabetes) who require one to one support for which there is no additional funding.

The Academy is taking the following action to return these funds to surplus:

The school is increasing its pupil numbers significantly and has now 324 pupils on roll. The academy has sufficient staffing in place to support this number and so will not have significant increased expenditure and should be able to return funds to surplus at the end of 16-17.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	-	-	2,674	2,674	2,692
Current assets	-	63	-	63	133
Creditors due within one year	-	(95)	-	(95)	(78)
Provisions for liabilities and charges	-	(354)	-	(354)	(337)
	<u>-</u>	<u>(386)</u>	<u>2,674</u>	<u>2,288</u>	<u>2,410</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £000	2014 £000
Net incoming resources before revaluations	(127)	(43)
Depreciation of tangible fixed assets	49	47
Capital grants and donations	(7)	(6)
Decrease/(increase) in debtors	36	(13)
Increase in creditors	17	15
FRS 17 pension cost less contributions payable	16	6
FRS 17 pension finance costs (note 13)	6	9
Net cash (outflow)/inflow from operations	<u>(10)</u>	<u>15</u>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £000	2014 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(31)	(12)
Capital grants and donations	7	7
Net cash outflow capital expenditure	<u>(24)</u>	<u>(5)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £15,000 were payable to the schemes at 31 August 2015 (2014 - £12,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

The Employer's pension costs paid to Teachers Pension Scheme in the period amounted to £71,000 (2014: £60,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £63,000, of which employer's contributions totalled £49,000 and employees' contributions totalled £14,000. The agreed contribution rates for future years are 21.6% for employers and between 5.5% and 12.5% 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.

The Academy'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 £000	<i>Expected return at 31 August 2014 %</i>	<i>Fair value at 31 August 2014 £000</i>
Equities	3.80	254	<i>6.30</i>	<i>216</i>
Bonds	3.80	81	<i>3.30</i>	<i>53</i>
Property	3.80	42	<i>4.50</i>	<i>31</i>
Cash	3.80	8	<i>3.30</i>	<i>9</i>
Total market value of assets		385		<i>309</i>
Present value of scheme liabilities		(739)		<i>(646)</i>
Deficit in the scheme		(354)		<i>(337)</i>

The expected rates of return are set equal to the discount rate.

The amounts recognised in the Balance Sheet are as follows:

	2015 £000	<i>2014 £000</i>
Present value of funded obligations	(739)	<i>(646)</i>
Fair value of scheme assets	385	<i>309</i>
Net liability	(354)	<i>(337)</i>

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £000	<i>2014</i> <i>£000</i>
Current service cost	(65)	(41)
Interest on obligation	(25)	(23)
Expected return on scheme assets	19	14
	<u> </u>	<u> </u>
Total	(71)	(50)
	<u> </u>	<u> </u>
Actual return on scheme assets	13	31
	<u> </u>	<u> </u>

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

	2015 £000	<i>2014</i> <i>£000</i>
Opening defined benefit obligation	646	470
Current service cost	65	41
Interest cost	25	23
Contributions by scheme participants	14	10
Actuarial losses/(gains)	(11)	102
	<u> </u>	<u> </u>
Closing defined benefit obligation	739	646
	<u> </u>	<u> </u>

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

	2015 £000	<i>2014</i> <i>£000</i>
Opening fair value of scheme assets	309	233
Expected return on assets	19	14
Actuarial gains and (losses)	(6)	17
Contributions by employer	49	35
Contributions by employees	14	10
	<u> </u>	<u> </u>
	385	309
	<u> </u>	<u> </u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £72,000 losses (2014 - £77,000 losses).

The Academy expects to contribute £53,000 to its Defined Benefit Pension Scheme in 2016.

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2015	<i>2014</i>
Equities	66.00 %	<i>70.00 %</i>
Bonds	21.00 %	<i>17.00 %</i>
Property	11.00 %	<i>10.00 %</i>
Cash	2.00 %	<i>3.00 %</i>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	<i>2014</i>
Discount rate for scheme liabilities	3.80 %	<i>3.70 %</i>
Expected return on scheme assets at 31 August	3.80 %	<i>5.50 %</i>
Rate of increase in salaries	4.60 %	<i>4.50 %</i>
Rate of increase for pensions in payment	2.70 %	<i>2.70 %</i>
Inflation assumption (CPI)	2.70 %	<i>2.70 %</i>

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2015:	Approximate increase to Employer liability %	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	15%	109
1 year increase in member life expectancy	3%	22
0.5% increase in the Salary Increase Rate	8%	60
0.5% increase in the Pension Increase Rate	6%	45

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

	2015	<i>2014</i>
Retiring today		
Males	22.2	<i>22.2</i>
Females	24.3	<i>24.3</i>
Retiring in 20 years		
Males	24.2	<i>24.2</i>
Females	26.6	<i>26.6</i>

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015	<i>2014</i>	<i>2013</i>
	£000	<i>£000</i>	<i>£000</i>
Defined benefit obligation	(739)	<i>(646)</i>	<i>(470)</i>
Scheme assets	385	<i>309</i>	<i>233</i>
Deficit	(354)	<i>(337)</i>	<i>(237)</i>
Experience adjustments on scheme liabilities	11	<i>(102)</i>	<i>12</i>
Experience adjustments on scheme assets	(6)	<i>17</i>	<i>(4)</i>

22. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	2015	<i>2014</i>	2015	<i>2014</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Expiry date:				
Within 1 year	-	-	-	<i>1</i>
Between 2 and 5 years	-	-	1	-

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustees has 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.

IT Techie is a company in which J Crowhurst (Trustee) has a majority interest. Transactions totalling £3,085 (2014: £nil) for the provision of ICT support took place during the year. The contract with I T Techie was entered into after 7 November 2013 and followed correct procurement procedures. J Crowhurst neither participated in nor influenced the decision for the procurement of these goods. There was an amount of £2,940 (2014: £nil) owed to IT Techie at the year ended 31 August 2015.

24. CONTROLLING PARTY

The Academy is ultimately controlled by the Governing Body, which includes the Headteacher and the Deputy Headteacher.

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25. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

26. MEMBERS LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.