



Knowle Church of England Primary Academy

Governors Report and Financial Statements

For the Year Ended 31 August 2015

Knowle Church of England Primary Academy
(A company limited by guarantee)

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Knowle Church of England Primary Academy
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers
For the Year Ended 31 August 2015

Governors (Trustees) E Baker
T Byrom
J Carver*
S Covington* (appointed 26 February 2015)
J Godsall*
S Harris*
D N Hillier*
I W Hobbs*
A Jayne*
M Johnson*
L Mackay*, Chair of Governors
H S Morris
R Trethewey*
Z Wallis*
J Wilson

* member of Finance and General Purposes Committee

Members Canon M Parker
J Carver
M Johnson
L Mackay
J Wilson (resigned 12 May 2015)
H S Morris (appointed 14 May 2015)

Senior management team J Godsall, Principal and Accounting Officer
E Clarke, Vice Principal
P Sidwell, Vice Principal
M Stonehill, Vice Principal
E Lynch, Business and Facilities Manager

Company registered number 08437300

Principal and registered office Kixley Lane
Knowle
Solihull
West Midlands
B93 0JE

Knowle Church of England Primary Academy
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers
For the Year Ended 31 August 2015

Administrative details (continued)

Independent auditors	Dains LLP Chartered Accountants Statutory Auditors Kixley Lane Knowle Solihull B93 0JE
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Bankers	Lloyds Bank Poplar Road Solihull West Midlands B91 3AN
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Knowle Church of England Primary Academy
(A company limited by guarantee)

Governors' Report
For the Year Ended 31 August 2015

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Knowle Church of England Primary Academy (the Academy) for the year ended 31 August 2015. The Governors confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document, 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

a. Constitution

The Academy is a charitable company Limited by Guarantee and was incorporated by a Memorandum of Association on 8 March 2013. The Academy has exempt charity status and its principal regulator is the Department for Education (DfE).

On 1 April 2013 the School converted to an Academy.

b. 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.

c. Method of recruitment and appointment or election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co opted under the terms of the Articles of Association.

In accordance with the Articles of Association, the Academy's Governing Body comprises the following:

- Up to 3 Governors appointed by the members
- Up to 3 Foundation Governors, which shall comprise the Incumbent as an ex officio Governor and up to 2 Governors notified to the Academy by the Diocese and Knowle United Charities acting together
- A minimum of 2, and no more than 5, Parent Governors who are elected by parents of registered pupils at the Academy
- 3 Staff Governors
- 4 Community Governors
- The Principal, who is treated for all purposes as being an ex officio Governor

Governors are appointed for a four year period, except that this time limit does not apply to the Principal or the Incumbent. Subject to remaining eligible to be a particular type of Governor, any Governor may be re appointed or re elected.

When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Since becoming an academy, the Governors have undertaken a full skills audit to determine any weakness in the range of expertise and experiences.

d. Policies and procedures adopted for the induction and training of Governors

The Board of Governors has devised an informal induction process to ensure that all Governors understand their roles and responsibilities. The training and induction provided for new Governors will depend on their experience but would always include an induction meeting with the Principal and the Chair of Governors, a tour of the Academy with the Chair of Governors, and a chance to meet staff and pupils. All Governors have access to policies, procedures, minutes, accounts and budgets and other documents they will need to undertake their role as Governors. Governors make regular use of the training packages offered by the National Governors Association; these activities are coordinated by the Chair of Governors. All Governors are subject to DBS checks.

e. Organisational structure

The Governing Body – Full Board

- Resources and Planning Committee
- Scrutiny and Standards Committee
- Pay Committee
- Curriculum and Collaborative Partnership Committee

f. Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the Academy. With regard to financial risk, the Governors have developed a system to assess risks i.e. The Risk Management Policy/Risk Register. This ensures that systems and internal financial controls are reviewed at least annually in order to minimise risk; all identified risks are reviewed again on at least an annual basis. Where significant financial risk still remains the Governors have ensured that they have adequate insurance cover.

Objectives, Activities and Achievements

a. Objects and aims

The principal object and activity of the charitable company is the operation of Knowle Church of England Primary Academy to provide education for pupils aged 3 - 11, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum;

The main aims of the Academy during the period ending 31 August 2015 are summarised below;

Preparing Children for the Future

<p><u>Be Healthy</u></p> <p>We aim to empower each child to become physically, mentally and emotionally healthy in order that they can learn effectively and choose a healthy lifestyle.</p>	<p><u>Embrace Christian Values</u></p> <p>We aim to empower each child to develop socially, morally, ethically and spiritually by experiencing and sharing in our Christian beliefs and values</p>	<p><u>Stay Safe</u></p> <p>We aim to develop and sustain a happy and secure environment in which children become self-confident, articulate, emotionally aware, socially adept, literate and numerate in order to make the right life choices and, therefore, be inherently safer.</p>
<p><u>Make a Positive Contribution</u></p> <p>We aim to empower children to actively engage in the planning of their learning experiences, and have the confidence to express themselves in discussion and in writing in order that they will choose to engage positively in social and community roles, becoming global citizens.</p>	<p><u>Enjoy and Achieve</u></p> <p>We aim to empower each child to experience the joy of learning and to achieve success, developing their capacity to learn independently and interdependently in order that they choose to be engaged in lifelong learning.</p>	<p><u>Achieve Economic Well-being</u></p> <p>We aim to empower each child to develop a positive attitude, become self motivated, and develop key academic and social skills, which enable them to think creatively and choose to impact on, influence and shape the world they live in.</p>

Learning for Life

b. Objectives, strategies and activities

The following key areas for development in 2014/15 were prioritised in the School Improvement Plan as follows:

Continue to develop the Knowle CE Primary Academy Curriculum

- Phase 2 – focusing on continuity and progression within subjects

Development of a revised assessment strategy – 'Life After Levels'

- Revision of policy and procedures
- Review of marking and feedback for pupils
- Revised annual reports for parents
- Developing a new approach to AfL in English and Mathematics
- Continuous professional development

Revision of policy and procedures for SEND in response to the new Code of Practice

- Revision of policy
- Publication of Academy Offer
- Develop new Provision Mapping aligned with new assessment procedures

Extended Services

To develop and embed the ethos, systems and structures necessary to provide an outstanding, school run childcare and wraparound facility.

c. Review of activities

The achievements and performance of the Academy will be demonstrated in the following key areas:

Achievement at Key Stage 1

During the period ended 31 August 2015 the attainment of pupils in Key Stage 1 was significantly above the national average.

Key Stage 1 Results 2015

% achieving Level 2 or above in Reading	97%
% achieving Level 2 or above in Writing	97%
% achieving Level 2 or above in Maths	97%
% achieving Level 3 or above in Reading	52%
% achieving Level 3 or above in Writing	30%
% achieving Level 3 or above in Maths	48%

c. Review of activities (continued)

Achievement at Key Stage 2

During the period ended 31 August 2015 the attainment of pupils in Key Stage 2 was significantly above the national average. In 2015 the achievement of all pupil groups including pupils with SEND and pupils eligible for Pupil Premium was above that of similar pupils nationally.

Key Stage 2 Results 2015

% achieving Level 4 or above in Reading, Writing & Maths	92%
% achieving Level 4 or above in Reading	98%
% achieving Level 4 or above in Writing	95%
% achieving Level 4 or above in Maths	97%
% achieving Level 4 or above in Grammar, Punctuation & Spelling	92%
% achieving Level 5 or above in Reading	67%
% achieving Level 5 or above in Writing	50%
% achieving Level 5 or above in Maths	70% (28% Level 6)
% achieving Level 5 or above in Grammar, Punctuation & Spelling	78% (10% Level 6)
% making expected progress in Reading	95%
% making expected progress in Writing	98%
% making expected progress in Maths	98%

Attendance

During the year ended 31 August 2015 the attendance of pupils at the academy was above the national average. In 2015 the attendance figure was 97.4% and there were no persistent absentees.

Extended Services

The academy achieved its aim to develop and embed the ethos, systems and structures necessary to provide an outstanding, school run childcare and wraparound facility. This is now a thriving business providing a much-needed service for our families.

d. Public benefit

The Governors confirm that they have complied with the requirement in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

e. Going concern

The Governors assess whether the use of the going concern basis is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

f. Key financial performance indicators

The Governors aim to ensure that the Academy meets the following financial requirements:

- Operates within its means and remains solvent
- Achieves best value for all activities undertaken and contracted services
- Maintains appropriate reserves
- Maintains a balanced budget going forward, taking likely contingencies into account
- Seeks to maintain the numbers of children in the school

Financial review

a. Financial review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants 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 and these are shown in the Statement of Financial Activities as Restricted Income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2015, total expenditure (excluding movements on the Fixed Asset Fund and movements on the pension reserve) of £1,925,386 was covered by recurrent grant funding from the DfE, together with other incoming resources of £1,902,081, and the use of £23,305 of the Academy's brought forward funds.

At 31 August 2015, the net book value of fixed assets was £6,244,819 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

b. Financial and risk management objectives and policies

Whilst the Academy has an adequate intake of pupils, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance and General Purposes Committee meetings.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governors recognise that the defined benefit scheme deficit (Local Government Pension Scheme) which is set out in Note 24 to the financial statements represents a significant potential liability. However, as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

c. Principal risks and uncertainties

The principal risks and uncertainties facing the Academy are as follows:

- Financial - considerable reliance on continued funding from EFA
- Failures in Governance or Management
- Reputational
- Safeguarding and Child Protection
- Fraud and Mismanagement of Funds
- Staffing

d. Reserves policy

The Governors review the reserve levels of the Academy termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review. The Academy continues to follow the recommendation of the Local Authority not to exceed a reserve of Restricted Funds in excess of 8% of its total budget.

The Academy's current level of unrestricted reserves is £93,654. The Governors plan to use these funds to further develop the premises to improve teaching and learning facilities (redevelopment of the disused kitchen in KS1) and to enhance the Academy's staffing structure.

Plans for future periods

a. Future developments

The focus for school improvement in 2015/16 is to:

1. Develop and implement a systematic approach to teaching spelling resulting in improved pupil achievement.
2. Further develop reading provision to ensure a consistent approach to the teaching of key skills; to foster a culture of 'reading for pleasure' and to improve pupil achievement.
3. Continue to develop the new academy curriculum (as the context in which improvements in writing outcomes are achieved) - Phase 3
4. Continue to develop and refine the approach to assessment (Phase 2)
5. Sustain and further develop our outstanding achievements in mathematics by involvement in The Maths Hub/Singapore methodology.

Site & Premises
Improve the academy buildings and facilities to create a more effective learning environment for all pupils
Extended Services
To sustain and build on the success of the past two years by further enhancing and developing provision. Investing in the future of the service to ensure continuity of high quality childcare and to support the academy to achieve its aims.
Staffing and Resource Management
Improve staffing levels to increase our capacity to meet the full range of pupils' needs and further develop an enriching and enhancing provision.

Governors' responsibilities statement

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

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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 Governors 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 Governors 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 the EFA/DfE have been applied for the purposes intended.

The Governors 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.

Disclosure of information to auditors

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

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

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report was approved by order of the Board of Governors on 19 November 2015 and signed on the board's behalf by:

L Mackay
Chair of Governors

J Godsall
Head Teacher and Accounting Officer

Governance Statement

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Knowle Church of England 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 or loss.

The Board of Governors has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Knowle Church of England 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 Governors' Responsibilities Statement. The Board of Governors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
E Baker	2	4
T Byrom	3	4
J Carver	2	4
S Covington (appointed 26 February 2015)	4	4
J Godsall	4	4
S Harris	2	4
D N Hillier	4	4
I W Hobbs	3	4
A Jayne	4	4
M Johnson	4	4
L Mackay, Chair of Governors	4	4
H S Morris	3	4
R Trethewey	3	4
Z Wallis	4	4
J Wilson	4	4

Governance reviews:

The resignation of S Gidney from the Board of Governors at the end of the previous academic year prompted a skills audit. As a consequence, the Governors sought to appoint a replacement with similar experience/expertise. As S Gidney had been the representative for Birmingham Diocese, the Diocese was asked to nominate a suitable replacement. S Covington, newly appointed Children's Minister for Knowle Parish Church was nominated and welcomed to the Board.

Knowle Church of England Primary Academy
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Governance Statement (continued)

The Finance and General Purposes Committee is a sub-committee of the main Board of Governors.

Its purpose is to:

- Monitor, evaluate and review policy and performance in relation to financial management
- Ensure compliance with reporting and regulatory requirements
- Set targets to measure financial and other performance
- Receive and act upon reports from the Responsible Officer
- Draft the annual budget
- Ensure delegation of authority and segregation of duties
- Identify and manage risks

Attendance at Finance and General Purposes Committee meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Carver	2	3
S Covington	2	3
J Godsall	3	3
S Harris	3	3
D N Hillier	3	3
I W Hobbs	2	3
A Jayne	2	3
M Johnson	2	3
L Mackay	3	3
R Trethewey	1	3
Z Wallis	3	3

Review of Value for Money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors 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:

As Accounting Officer, the Principal has ensured the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. This has been achieved by strict adherence to all agreed policies and procedures, open and transparent decisions about the recruitment, retention and deployment of staff, robust monitoring of all aspects of the Academy's work including monthly finance monitoring meetings and a full programme of Academy self-evaluation processes. Providers of all goods and services are regularly reviewed for value for money and quality assurance purposes. Governors were kept informed and up-to-date throughout the academic year via the appropriate committee meetings.

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 Knowle Church of England Primary Academy for the year 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 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 ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 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'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 Governors;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Dains LLP, the external auditors, to perform additional checks.

The firm's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

On a termly basis, the firm reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

Review of Effectiveness

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of Dains LLP who have responsibility for reviewing and reporting on 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.

Approved by order of the members of the Board of Governors on 19 November 2015 and signed on its behalf, by:

L Mackay
Chair of Governors

J Godsall
Accounting Officer

Knowle Church of England Primary Academy
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Knowle Church of England Primary Academy I have considered my responsibility to notify the Academy Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy Board of Governors are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2014).

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.

J Godsall
Accounting Officer

Date: 19 November 2015

Independent Auditors' Report to the Members of Knowle Church of England Primary Academy

We have audited the financial statements of Knowle Church of England 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 Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' responsibilities statement, the Governors (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 Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' 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 Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Knowle Church of England Primary Academy
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Independent Auditors' Report to the Members of Knowle Church of England Primary Academy

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.

Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Chartered Accountants
Statutory Auditors

Birmingham
19 November 2015

**Knowle Church of England Primary Academy
(A company limited by guarantee)**

Independent Reporting Accountants' Assurance Report on Regularity to Knowle Church of England Primary Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 22 August 2014 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 Knowle Church of England Primary Academy during the year 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 Knowle Church of England Primary Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Knowle Church of England Primary Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Knowle Church of England Primary Academy and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Knowle Church of England Primary Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Knowle Church of England Primary Academy's funding agreement with the Secretary of State for Education dated 28 March 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 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 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.

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 1 September 2014 to 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.

Dains LLP

Chartered Accountants
Statutory Auditors

Birmingham

19 November 2015

Knowle Church of England Primary Academy
(A company limited by guarantee)

Statement of Financial Activities (incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the Year Ended 31 August 2015

		Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
		Year ended 31 August 2015	Year ended 31 August 2015	Year ended 31 August 2015	Year ended 31 August 2015	17 months ended 31 August 2014
	Note	£	£	£	£	£
Incoming resources						
Incoming resources from generated funds:						
Transfer on Conversion	2	-	-	-	-	5,518,860
Other voluntary income	2	19,236	1,600	24,539	45,375	103,426
Activities for generating funds	3	219,662	-	-	219,662	256,449
Investment income	4	171	-	-	171	406
Incoming resources from charitable activities	5	10,531	1,650,881	9,040	1,670,452	2,700,266
Total incoming resources		249,600	1,652,481	33,579	1,935,660	8,579,407
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	6	179,559	-	-	179,559	223,455
Charitable activities	8	18,353	1,761,668	188,311	1,968,332	2,443,604
Governance costs	7	12,356	5,450	-	17,806	38,598
Total resources expended	9	210,268	1,767,118	188,311	2,165,697	2,705,656
Net incoming / (outgoing) resources before transfers		39,332	(114,637)	(154,732)	(230,037)	5,873,751

Knowle Church of England Primary Academy
(A company limited by guarantee)

Statement of Financial Activities (incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)
For the Year Ended 31 August 2015

		Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds 17 months ended
		Year ended 31 August 2015	Year ended 31 August 2015	Year ended 31 August 2015	Year ended 31 August 2015	31 August 2014
	Note	£	£	£	£	£
Transfers between Funds	19	(58,959)	58,959	-	-	-
Net incoming resources / (resources expended) before revaluations		(19,627)	(55,678)	(154,732)	(230,037)	5,873,751
Actuarial loss on defined benefit pension scheme		-	(73,000)	-	(73,000)	(45,000)
Net movement in funds for the year		(19,627)	(128,678)	(154,732)	(303,037)	5,828,751
Total funds at 1 September 2014		113,281	(723,043)	6,438,513	5,828,751	-
Total funds at 31 August 2015		93,654	(851,721)	6,283,781	5,525,714	5,828,751

All activities relate to continuing activities.

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

The notes on pages 25 to 46 form part of these financial statements.

Knowle Church of England Primary Academy**(A company limited by guarantee)****Registered number: 08437300****Balance Sheet****As at 31 August 2015**

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	15		6,244,819		6,393,108
Current assets					
Debtors	16	273,822		179,777	
Cash at bank and in hand		57,419		122,288	
		331,241		302,065	
Creditors: amounts falling due within one year	17	(193,346)		(125,546)	
Net current assets			137,895		176,519
Total assets less current liabilities			6,382,714		6,569,627
Creditors: amounts falling due after more than one year	18		-		(8,876)
Net assets excluding pension scheme liability			6,382,714		6,560,751
Defined benefit pension scheme liability	24		(857,000)		(732,000)
Net assets including pension scheme liability			5,525,714		5,828,751
Funds of the academy					
Restricted funds:					
Restricted funds	19	5,279		8,957	
Restricted fixed asset funds	19	6,283,781		6,438,513	
Restricted funds excluding pension liability		6,289,060		6,447,470	
Pension reserve		(857,000)		(732,000)	
Total restricted funds			5,432,060		5,715,470
Unrestricted funds	19		93,654		113,281
Total funds			5,525,714		5,828,751

The financial statements were approved by the Governors, and authorised for issue, on 19 November 2015 and are signed on their behalf, by:

L Mackay
Chair of Governors

The notes on pages 25 to 46 form part of these financial statements.

Knowle Church of England Primary Academy
(A company limited by guarantee)

Cash Flow Statement
For the Year Ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	21	(69,559)	46,662
Returns on investments and servicing of finance	22	(6)	(216)
Capital expenditure and financial investment	22	13,596	63,183
Cash transferred on conversion to an academy trust		-	12,659
Cash (outflow)/inflow before financing		(55,969)	122,288
Financing	22	(8,900)	-
(Decrease)/Increase in cash in the year		(64,869)	122,288

Reconciliation of Net Cash Flow to Movement in Net Funds
For the Year Ended 31 August 2015

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(64,869)	122,288
Cash outflow from decrease in debt and lease financing	8,900	-
Change in net debt resulting from cash flows	(55,969)	122,288
Loans inherited on conversion	-	(17,778)
Movement in net funds in the year	(55,969)	104,510
Net funds at 1 September 2014	104,510	-
Net funds at 31 August 2015	48,541	104,510

The notes on pages 25 to 46 form part of these financial statements.

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006.

1.2 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 Academy 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.

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 in the restricted fixed asset fund.

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 and catering income, 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.

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.

Direct costs are costs incurred in the Academy's educational operations.

Support costs are costs directly incurred in support of expenditure on the objects of the Academy and include costs for the maintenance and upkeep of the School property.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Governors.

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.

Investment income, gains and losses are allocated to the appropriate fund.

1. Accounting Policies (continued)

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.

On 1 April 2013 The Metropolitan Borough of Solihull, Birmingham Diocesan Trustees Registered and the Trustees of Knowle United granted the academy a lease for the School site. As the School is a specialised property, as defined in Financial Reporting Standard Number 15, this long term leasehold property has been valued in the financial statements on a Depreciated Replacement Cost basis. The land and property were last valued upon conversion.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	-	2% straight line
Long Term Leasehold Land	-	Over period of lease
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line
Catering equipment	-	10% straight line

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.

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.

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. Accounting Policies (continued)

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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. 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 adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. Voluntary income

	Unrestricted funds	Restricted funds	Total funds	Total funds 17 months ended 31 August 2014
	Year ended 31 August 2015 £	Year ended 31 August 2015 £	Year ended 31 August 2015 £	£
Transfer on Conversion	-	-	-	5,518,860
Donations for educational trips	19,155	-	19,155	40,748
Other donations	81	26,139	26,220	62,678
	19,236	26,139	45,375	5,622,286

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

3. Activities for generating funds

	Unrestricted funds	Restricted funds	Total funds	Total funds 17 months ended 31 August 2014
	Year ended 31 August 2015 £	Year ended 31 August 2015 £	Year ended 31 August 2015 £	£
Hire of facilities	6,012	-	6,012	10,884
Breakfast club	-	-	-	2,452
Swimming fees	1,113	-	1,113	882
Extended services income	206,609	-	206,609	239,174
Department sales	4,043	-	4,043	2,110
Photo commission	1,885	-	1,885	947
	219,662	-	219,662	256,449

4. Investment income

	Unrestricted funds	Restricted funds	Total funds	Total funds 17 months ended 31 August 2014
	Year ended 31 August 2015 £	Year ended 31 August 2015 £	Year ended 31 August 2015 £	£
Short term deposits	171	-	171	406

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

5. Funding for Academy's educational operations

	Unrestricted funds	Restricted funds	Total funds	Total funds 17 months ended 31 August 2014
	Year ended 31 August 2015 £	Year ended 31 August 2015 £	Year ended 31 August 2015 £	£
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,381,084	1,381,084	1,951,636
Pupil Premium	-	37,710	37,710	39,823
Devolved Capital Grant	-	9,040	9,040	12,507
Insurance Grant	-	11,375	11,375	8,920
Capital maintenance fund	-	-	-	375,240
Start Up Grant	-	-	-	25,000
PE Sports Grant	-	9,795	9,795	9,775
Universal Free School Meals	-	71,013	71,013	-
	-	1,520,017	1,520,017	2,422,901
Other government grants				
Nursery funding	-	86,411	86,411	110,428
	-	86,411	86,411	110,428
Other funding				
Insurance claim proceeds	-	-	-	41,883
Absence and maternity insurance claims	10,531	-	10,531	-
National College for Teaching & Leadership	-	-	-	28,000
Outreach and training income	-	4,695	4,695	-
Catering income	-	48,798	48,798	97,054
	10,531	53,493	64,024	166,937
	10,531	1,659,921	1,670,452	2,700,266

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

6. Costs of generating voluntary income

	Unrestricted funds	Restricted funds	Total funds	Total funds 17 months ended 31 August 2014 £
	Year ended 31 August 2015 £	Year ended 31 August 2015 £	Year ended 31 August 2015 £	
Extended services costs	179,559	-	179,559	223,455

7. Governance costs

	Unrestricted funds	Restricted funds	Total funds	Total funds 17 months ended 31 August 2014 £
	Year ended 31 August 2015 £	Year ended 31 August 2015 £	Year ended 31 August 2015 £	
Audit fees	-	4,500	4,500	4,500
Governance Auditors' non audit costs	-	950	950	950
Legal and professional fees	12,356	-	12,356	33,148
	12,356	5,450	17,806	38,598

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

8. Charitable activities

	Total funds	Total funds 17 months ended 31 August 2014
	Year ended 31 August 2015 £	£
Direct costs - educational operations		
Wages and salaries	891,323	1,131,766
National insurance	55,716	81,468
Pension cost	159,149	185,046
Depreciation	143,960	161,732
FRS 17 pension adjustment	19,000	34,000
Educational supplies	33,869	36,836
Technology costs	20,964	3,636
Educational consultancy	30,068	23,296
Other direct costs	1,823	3,074
Supply teacher insurance	36,770	6,250
Catering costs	114,532	122,317
	<u>1,507,174</u>	<u>1,789,421</u>
Support costs - educational operations		
Wages and salaries	157,368	242,206
National insurance	6,696	9,697
Pension cost	24,436	43,751
Depreciation	24,312	34,197
Staff development	14,035	8,982
Technology costs	39,292	38,996
Other support costs	48,754	69,276
Recruitment and support	1,403	1,368
Maintenance of premises	40,083	66,163
Maintenance of equipment	4,709	3,209
Cleaning	9,199	8,607
Operating leases	16,228	17,267
Rates	4,461	6,515
Water rates	11,396	7,478
Energy	2,272	45,333
Insurance	16,200	19,124
Other occupancy costs	40,314	32,013
	<u>461,158</u>	<u>654,182</u>
	<u><u>1,968,332</u></u>	<u><u>2,443,603</u></u>

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

9. Resources expended

	Staff costs	Premises	Other costs	Total	Total
	Year ended 31 August 2015 £	Year ended 31 August 2015 £	Year ended 31 August 2015 £	Year ended 31 August 2015 £	17 months ended 31 August 2014 £
Costs of generating voluntary income	-	-	287,611	287,611	345,772
Costs of generating funds	-	-	287,611	287,611	345,772
Direct costs	1,108,009	107,480	291,685	1,507,174	104,018
Support costs	188,500	58,213	214,445	461,158	212,459
Charitable activities	1,296,509	165,693	506,130	1,968,332	316,477
Governance	-	-	17,806	17,806	38,598
	1,296,509	165,693	811,547	2,273,749	700,847

10. Net incoming / (outgoing) resources

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	168,272	195,929
Auditors' remuneration	4,500	4,500
Operating lease rentals:		
- other operating leases	2,362	2,362

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

11. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,048,691	1,373,972
Social security costs	62,412	91,165
Other pension costs	183,585	228,797
	<hr/> 1,294,688	<hr/> 1,693,934
Supply teacher costs	1,821	3,074
Other costs	-	30,050
	<hr/> 1,296,509 <hr/>	<hr/> 1,727,058 <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 No.	2014 No.
Teachers	14	15
Administration and support	23	22
Management	5	4
Extended services	10	5
	<hr/> 52 <hr/>	<hr/> 46 <hr/>

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	1	1
	<hr/> 1 <hr/>	<hr/> 1 <hr/>

The above employee participated in the Teachers Pension Scheme.

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

12. Governors' remuneration and expenses

During the year retirement benefits were accruing to 3 Governors (2014 - 4) in respect of defined benefit pension schemes.

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	Year ended 31 August 2015	17 months ended 31 August 2014
	£	£
J Godsall - remuneration (12 months / 17 months)	70,000-75,000	95,000-100,000
J Godsall - employer's pension contributions (12 months / 17 months)	10,000-15,000	10,000-15,000
T Byrom - remuneration (12 months / 9 months)	25,000-30,000	15,000-20,000
T Byrom - employer's pension contributions (12 months / 9 months)	0-5,000	0-5,000
E Baker - remuneration (12 months / 17 months)	20,000-25,000	30,000-35,000
E Baker - employer's pension contributions (12 months / 17 months)	0-5,000	5,000-10,000
C Howden - remuneration (NIL months / 4 months)		10,000-15,000
C Howden - employer's pension contributions (NIL months / 4 months)		0-5,000

During the year, no Governors received any benefits in kind (2014 - £NIL).

During the year, no Governors received any reimbursement of expenses (2014 - £NIL).

13. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was included in the total insurance cost of £12,790 (2014 - £17,730 for 17 months).

14. Other finance income

	2015	2014
	£	£
Expected return on pension scheme assets	32,000	30,000
Interest on pension scheme liabilities	(51,000)	(64,000)
	(19,000)	(34,000)

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

15. Tangible fixed assets

	Long Term Leasehold Land and Buildings £	Fixtures and fittings £	Computer equipment £	Catering equipment £	Total £
Cost					
At 1 September 2014	6,098,783	348,762	66,792	74,700	6,589,037
Additions	-	9,000	10,983	-	19,983
At 31 August 2015	6,098,783	357,762	77,775	74,700	6,609,020
Depreciation					
At 1 September 2014	152,262	16,823	16,261	10,583	195,929
Charge for the year	107,480	35,251	18,071	7,470	168,272
At 31 August 2015	259,742	52,074	34,332	18,053	364,201
Net book value					
At 31 August 2015	5,839,041	305,688	43,443	56,647	6,244,819
At 31 August 2014	5,946,521	331,939	50,531	64,117	6,393,108

16. Debtors

	2015 £	2014 £
Other debtors	236,642	146,264
Prepayments and accrued income	37,180	33,513
	273,822	179,777

17. Creditors:
Amounts falling due within one year

	2015 £	2014 £
EFA creditor: abatement of capital deficit	8,878	8,902
Trade creditors	75,514	15,645
Other taxation and social security	18,497	19,021
Other creditors	22,176	20,862
Accruals and deferred income	68,281	61,116
	193,346	125,546

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

17. Creditors:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2014	43,386
Resources deferred during the year	56,702
Amounts released from previous years	(43,386)
	<hr/>
Deferred income at 31 August 2015	56,702
	<hr/>

18. Creditors:
Amounts falling due after more than one year

	2015 £	2014 £
EFA creditor: abatement of capital deficit	-	8,876
	<hr/>	<hr/>

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

19. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	<u>113,281</u>	<u>249,600</u>	<u>(210,268)</u>	<u>(58,959)</u>	<u>-</u>	<u>93,654</u>
Restricted funds						
General Annual Grant (GAG)	8,957	1,381,084	(1,449,000)	58,959	-	-
Other DfE/EFA and government grants	-	216,304	(145,291)	(71,013)	-	-
Other restricted income	-	6,295	(6,295)	-	-	-
Catering	-	48,798	(114,532)	71,013	-	5,279
Pension reserve	(732,000)	-	(52,000)	-	(73,000)	(857,000)
	<u>(723,043)</u>	<u>1,652,481</u>	<u>(1,767,118)</u>	<u>58,959</u>	<u>(73,000)</u>	<u>(851,721)</u>
Restricted fixed asset funds						
Assets inherited on conversion	6,013,527	-	(122,949)	-	-	5,890,578
Devolved capital grant	12,427	9,040	(4,431)	-	-	17,036
Donations for capital assets	50,810	24,539	(28,554)	-	-	46,795
Capital maintenance fund	361,749	-	(32,377)	-	-	329,372
	<u>6,438,513</u>	<u>33,579</u>	<u>(188,311)</u>	<u>-</u>	<u>-</u>	<u>6,283,781</u>
Total restricted funds	<u>5,715,470</u>	<u>1,686,060</u>	<u>(1,955,429)</u>	<u>58,959</u>	<u>(73,000)</u>	<u>5,432,060</u>
Total of funds	<u><u>5,828,751</u></u>	<u><u>1,935,660</u></u>	<u><u>(2,165,697)</u></u>	<u><u>-</u></u>	<u><u>(73,000)</u></u>	<u><u>5,525,714</u></u>

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

19. Statement of funds (continued)

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

Unrestricted funds

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors. The Governors plan to use these funds for a building extension project for Key Stage 1 and to enhance the Academy's staffing structure.

Restricted general fund

This fund represents grants and other income received for the Academy's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset fund

This fund represents grants received from the DfE, EFA and the Parents' Association to carry out works of a capital nature.

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.

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	113,281	249,600	(210,268)	(58,959)	-	93,654
Restricted funds	(723,043)	1,652,481	(1,767,118)	58,959	(73,000)	(851,721)
Restricted fixed asset funds	6,438,513	33,579	(188,311)	-	-	6,283,781
	<u>5,828,751</u>	<u>1,935,660</u>	<u>(2,165,697)</u>	<u>-</u>	<u>(73,000)</u>	<u>5,525,714</u>

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20. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds 17 months ended
	Year ended 31 August 2015	Year ended 31 August 2015	Year ended 31 August 2015	Year ended 31 August 2015	31 August 2014
	£	£	£	£	£
Tangible fixed assets	-	-	6,244,819	6,244,819	6,393,108
Current assets	103,614	174,468	53,159	331,241	302,065
Creditors due within one year	(9,960)	(169,189)	(14,197)	(193,346)	(125,546)
Provisions for liabilities and charges	-	(857,000)	-	(857,000)	(732,000)
	<u>93,654</u>	<u>(851,721)</u>	<u>6,283,781</u>	<u>5,525,714</u>	<u>5,828,751</u>

21. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	(230,037)	5,873,751
Returns on investments and servicing of finance	6	216
Non-cash gift from Local Authority	-	(5,518,860)
Depreciation of tangible fixed assets	168,272	195,929
Capital grants from DfE and other capital income	(33,579)	(446,737)
Increase in debtors	(94,045)	(179,778)
Increase in creditors	67,824	89,141
FRS 17 adjustments	52,000	33,000
Net cash (outflow)/inflow from operations	<u>(69,559)</u>	<u>46,662</u>

22. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	171	406
Interest paid	(177)	(622)
Net cash outflow from returns on investments and servicing of finance	<u>(6)</u>	<u>(216)</u>

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For the Year Ended 31 August 2015

22. Analysis of cash flows for headings netted in cash flow statement (continued)

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(19,983)	(383,554)
Capital grants from DfE and other capital income	33,579	446,737
	<u>13,596</u>	<u>63,183</u>
Net cash inflow capital expenditure	<u><u>13,596</u></u>	<u><u>63,183</u></u>
	2015 £	2014 £
Financing		
Repayment of other loans	(8,900)	-
	<u><u>(8,900)</u></u>	<u><u>-</u></u>

23. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	122,288	(64,869)	-	57,419
Debt:				
Debts due within one year	(8,902)	8,900	(8,876)	(8,878)
Debts falling due after more than one year	(8,876)	-	8,876	-
	<u>104,510</u>	<u>(55,969)</u>	<u>-</u>	<u>48,541</u>
Net funds	<u><u>104,510</u></u>	<u><u>(55,969)</u></u>	<u><u>-</u></u>	<u><u>48,541</u></u>

24. 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 West Midlands Pension Fund. 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 £21,086 were payable to the scheme at 31 August 2015 (2014 - £19,850) 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.

The pension costs paid to TPS in the period amounted to £90,000 (2014 - £89,000).

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For the Year Ended 31 August 2015

24. Pension commitments (continued)

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 £107,000, of which employer's contributions totalled £79,000 and employees' contributions totalled £28,000. The agreed contribution rates for future years are 18.4% for employers and 5.5% - 9.9% 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 amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,475,000)	(1,216,000)
Fair value of scheme assets	618,000	484,000
	<hr/>	<hr/>
Net liability	(857,000)	(732,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2015 £	2014 £
Current service cost	(112,000)	(106,000)
Interest on obligation	(51,000)	(64,000)
Expected return on scheme assets	32,000	30,000
	<hr/>	<hr/>
Total	(131,000)	(140,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	(24,000)	(37,000)
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the Financial Statements
For the Year Ended 31 August 2015

24. Pension commitments (continued)

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

	2015	2014
	£	£
Opening defined benefit obligation	1,216,000	-
Current service cost	112,000	106,000
Interest cost	51,000	64,000
Contributions by employees	28,000	32,000
Benefits paid	3,000	-
Liabilities inherited on conversion	-	961,000
Actuarial loss	65,000	53,000
	<hr/>	<hr/>
Closing defined benefit obligation	1,475,000	1,216,000
	<hr/>	<hr/>

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

	2015	2014
	£	£
Opening fair value of scheme assets	484,000	-
Expected return on assets	32,000	30,000
Contributions by employees	28,000	32,000
Benefits paid	3,000	-
Assets inherited on conversion	-	307,000
Contributions by employer	79,000	107,000
Actuarial (loss)/gain	(8,000)	8,000
	<hr/>	<hr/>
	618,000	484,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £118,000 (2014 - £45,000).

The Academy expects to contribute £111,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	60.00 %	45.00 %
Government bonds	7.00 %	8.00 %
Other bonds	10.00 %	10.00 %
Property	9.00 %	9.00 %
Cash/liquidity	5.00 %	4.00 %
Other	9.00 %	24.00 %

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Rate of increase in salaries	4.15 %	3.95 %
Rate of increase for pensions in payment / inflation	2.40 %	2.20 %
Inflation assumption (CPI)	2.40 %	2.20 %

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24. Pension commitments (continued)

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

	2015	2014
Retiring today		
Males	23.0 years	22.9 years
Females	25.2 years	25.5 years
Retiring in 20 years		
Males	25.6 years	25.1 years
Females	28.0 years	27.8 years

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015	2014
	£	£
Defined benefit obligation	(1,475,000)	(1,216,000)
Scheme assets	618,000	484,000
Deficit	<u>(857,000)</u>	<u>(732,000)</u>

25. Operating lease commitments

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

	2015	2014
	£	£
Expiry date:		
Between 2 and 5 years	<u>2,362</u>	<u>2,362</u>

26. 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.

27. 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 Trustee 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. Trustees are not able to participate in discussions in which they have a pecuniary interest.

No related party transactions took place in the period of account.