

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

Members

Edith Fox, Chair of Trustees¹
Rachel Curtis-Bowen, Vice Chair
Mark Kirton
Alan Humphrey¹

Trustees

Edward McGovern, Headteacher until 26/08/2015 (resigned 31 August 2015)¹
Edith Fox, Chair of Trustees¹
Mark Kirton¹
Jennifer Bell (resigned 1 December 2014)
Louise Percival, Staff Trustee (resigned 28 November 2014)
Sara Jones, Staff Trustee
Pauline Bowie, Staff Trustee¹
Caralyn Bignell, Staff Trustee
Rachel Curtis-Bowen, Vice Chair¹
Mark Donne
Julie Downes, Staff Trustee
Carole Verity (resigned 29 April 2014)
Michelle Larke
Alan Humphrey, Chair of Finance¹
Michelle Jackson¹
Alison Hammond
Andrew Kitchen, Headteacher from 26/08/2015 (appointed 26 August 2015)
Helen Riley, Staff Trustee (appointed 1 February 2014)
Paul Howkins (appointed 14 October 2015)

¹ Personnel, Finance and Audit Committee

Company registration number

08054506

Principal and registered office

Stafford Leys
Leicester Forest East
Leicester
LE3 3LJ

Company secretary

Karen Pugh

Senior management team

Edward McGovern, Headteacher (resigned 26 August 2015)
Karren Hardy, Deputy Headteacher
Yvonne Stuart, Deputy Headteacher
Claire Simpson, Deputy Headteacher
Julie Anderson, Business Manager

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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)

Andrew Kitchen, Headteacher (appointed 26 August 2015)

Independent auditor

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

Bankers

National Westminster Bank Plc
7 Hinckley Road
Leicester
LE3 0TQ

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

STAFFORD LEYS ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also directors and Governors of the charitable company for the purposes of the Companies Act) present their annual report together with the audited financial statements of Stafford Leys Academy Trust (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 to 11 serving a catchment area in Leicester Forest East. It has a pupil capacity of 588 and had a roll of 594 in the school census on October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

Stafford Leys 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.

The Governors act as the Trustees for the charitable activities of Stafford Leys Community Primary School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Stafford Leys Academy Trust, known as Stafford Leys Community Primary School.

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

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1,243.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Recruitment of Trustees is outlined in the Memorandum of Articles. Members may appoint up to 15 Trustees. The appointment of staff Trustees is via a process of a staff ballot. Appointment of Parent Trustees is made via parent ballot.

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 Leicestershire Governor Development Service and our local network of schools to support all new Trustees. The Academy buys into the Leicestershire Governor Development Service who offers further Trustee training. A skills matrix is being developed to identify areas of strength and weakness.

STAFFORD LEYS ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

ORGANISATIONAL STRUCTURE

The Academy management structure consists of two levels: the Trustees and The Headteacher/Senior Managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher is the Accounting Officer.

The Trustees are responsible for setting general policy, adopting an annual improvement plan, 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. Specific responsibilities of the committees are outlined in the relevant Terms of Reference.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy is an independent company in all respects. We work as part of the Symphony Primary Partnership, a collaborative network of local Primary Schools to support the continuing improvement of our schools.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

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

To promote for the benefit of individuals living in Leicestershire and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

OBJECTIVES, STRATEGIES AND ACTIVITIES

Our priorities during the period of this report have been:

- Improve attainment during Early Years Foundation Stage.
- Prepare for the implementation of the new National Curriculum.
- Ensure increased numbers and the extension of the school's age range change to include Year 6 is managed well and attainment and progress remain high.

PUBLIC BENEFIT

In setting objectives the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

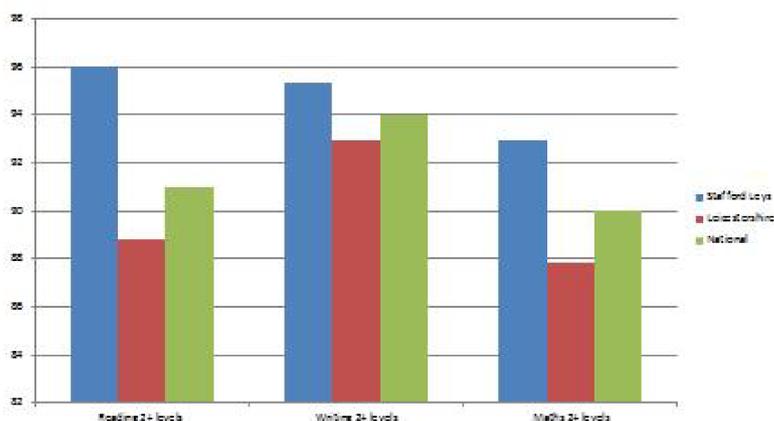
STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

KEY PERFORMANCE DATA

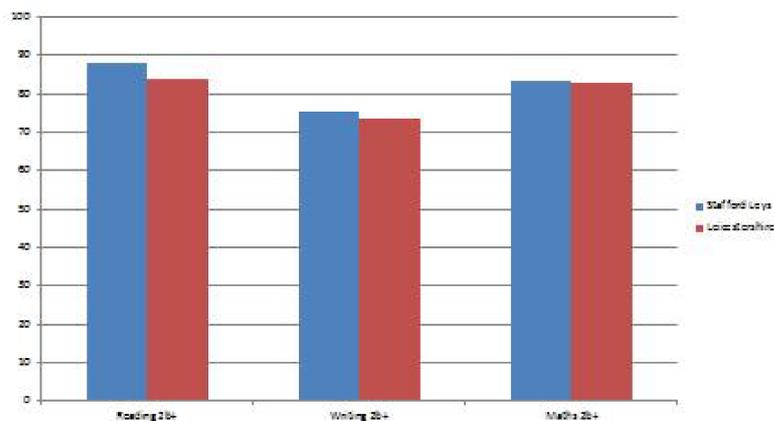
Children at the end of Key Stage 2 made Good progress compared to national and local data.

2+ levels progress by subject

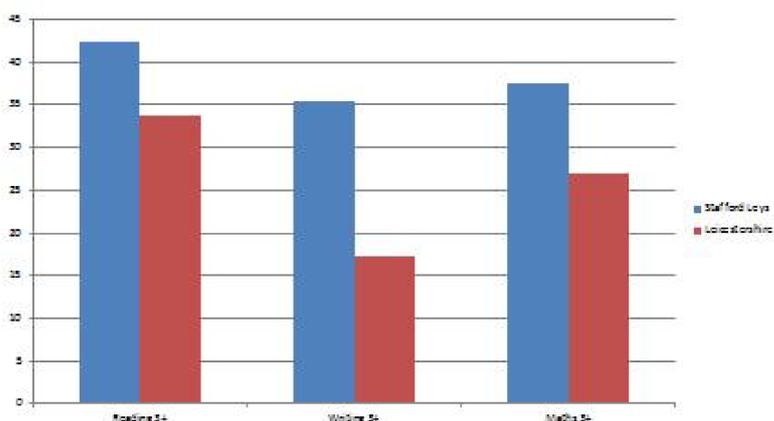


Children in Year 2's attainment was above national and local data.

KS1 headline list

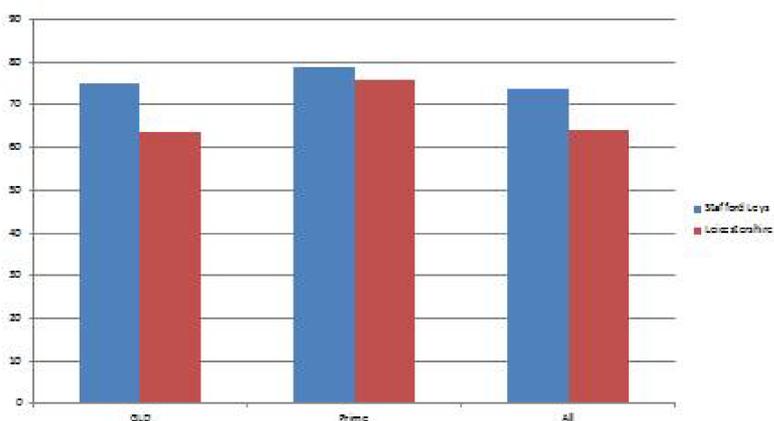


KS1 3+ by subject



Children at the end of Foundation Stage are performing well above the averages for children locally and nationally.

Foundation Stage profile



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.

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

FINANCIAL REVIEW

The vast majority of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA 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' (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 balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

RESERVES POLICY

The Academy's "free reserves" are its funds after excluding restricted funds. "Free reserves" are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy which is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the Academy in Personnel, Finance and Audit Committee meetings which take place regularly throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets, restricted funds and the pension reserve) is £77,000 which is more than is needed.

The Academy and the Trustees are aware of the significant pension fund deficit for the Local Government Pension Scheme (LGPS). This however does not mean that this is an immediate liability as employer contributions have been set at a level which responds to the deficit level and will be reviewed every 3 years to ensure that this continues to be the case.

At 31 August 2015 the total funds comprised:

	£'000's
Unrestricted	77
Restricted: Fixed asset funds	3,848
GAG	412
Pension reserve	<u>(949)</u>
Total	<u>3,388</u>

INVESTMENT POLICY AND PERFORMANCE

Following a decision made by the Personnel, Finance and Audit Committee, the Academy has invested a small amount of surplus funds in a comparatively high interest 30 day notice account. These funds will be required to support building work planned for Summer 2016.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Academy are included in the Risk Register and Management Plan and include:

- Strategic and Reputational Risks.

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

- Operational Risks.
- Compliance Risks.
- Financial Risks.

Control measures are in place to manage the identified risks, the key risks being that of reduced pupil numbers, that affect the level of funding, and future Government cuts. Active promotion of the Academy is maintained and budgets monitored carefully over a 3 year period to manage any reduction in funding.

PLANS FOR THE FUTURE

The Academy will continue to seek to improve the levels of performance of our children at all levels.

DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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 auditor is aware of that information.

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2015 and signed on the board's behalf by:

Edith Fox
Chair of Trustees

Andrew Kitchen
Accounting Officer

STAFFORD LEYS ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Stafford Leys Academy Trust 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 Stafford Leys Academy Trust 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 4 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
Edith Fox, Chair of Trustees	4	4
Rachel Curtis-Bowen, Vice Chair	3	4
Mark Kirton	2	4
Edward McGovern	3	4
Jennifer Bell	1	1
Louise Percival	0	1
Sara Jones	4	4
Pauline Bowie	4	4
Caralyn Bignell	3	4
Mark Donne	3	4
Julie Downes	1	4
Michelle Larke	3	4
Alan Humphrey	2	4
Michelle Jackson	4	4
Alison Hammond	4	4
Helen Riley, Staff Trustee	2	2

Paul Howkins was appointed as a Trustees on 14 October 2015.

- The Chair of Governors is a member of the Symphony Governors group which is made up of 14 schools working together
- A self review of the Governing Body's role was conducted in December 2014. Attendance was excellent and all Governors attending participated.
- A skills audit exercise was also undertaken to recognise and inform the future needs in Governor recruitment.

The Personnel, Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to, on the behalf of the Full Governing Body, work with the Academy's Senior Leadership Team to set the Academy's financial priorities, decide on how the Academy's delegated budget should be spent, monitor the annual budget, ensuring the budget is being managed effectively and the Academy is meeting its statutory obligations.

Attendance at meetings in the year was as follows:

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GOVERNANCE STATEMENT (continued)

Trustee	Meetings attended	Out of a possible
Edward McGovern	6	6
Edith Fox	3	6
Mark Kirton	3	6
Susan Holmes	0	6
Pauline Bowie	6	6
Rachel Curtis-Bowen	0	6
Alan Humphrey	6	6
Michelle Jackson	4	4

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:

- Ensuring that several quotes are obtained for work costing over £5,000;
- Working with other schools to purchase in bulk – education materials and services; and
- Ensuring that funds not immediately needed are placed in a high interest account.

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 Stafford Leys Academy Trust 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.

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 Personnel and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;

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GOVERNANCE STATEMENT (continued)

- 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:

- testing of payroll systems;
- testing of purchase systems; and
- testing of control account/bank reconciliations.

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.

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 auditor;
- 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 Personnel, Finance and Audit 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 Trustees on 9 December 2015 and signed on its behalf, by:

Edith Fox
Chair of Trustees

Andrew Kitchen
Accounting Officer

STAFFORD LEYS ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Stafford Leys Academy Trust 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.

Andrew Kitchen
Accounting Officer

9 December 2015

STAFFORD LEYS ACADEMY TRUST
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as Governors of Stafford Leys Academy Trust 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 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 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; and
- 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:

Edith Fox
Chair of Trustees

Date: 9 December 2015

STAFFORD LEYS ACADEMY TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STAFFORD LEYS ACADEMY TRUST

We have audited the financial statements of Stafford Leys Academy Trust 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 Board of 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 board of trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy's Board of Trustees, as a body for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STAFFORD LEYS ACADEMY TRUST

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
17 December 2015

STAFFORD LEYS ACADEMY TRUST
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STAFFORD LEYS ACADEMY TRUST 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 Stafford Leys Academy Trust 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 Stafford Leys Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stafford Leys Academy Trust 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 Stafford Leys Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF STAFFORD LEYS ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Stafford Leys Academy Trust's funding agreement with the Secretary of State for Education dated 1 June 2012, 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 Accounting Officer.;
- 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;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STAFFORD LEYS ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

- 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

17 December 2015

STAFFORD LEYS ACADEMY TRUST
(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

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset fund 2015 £000	Total funds 2015 £000	Total funds 2014 £000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	-	-	-	5
Activities for generating funds	3	82	-	-	82	99
Investment income	4	3	-	-	3	3
Funding for the Academy Trust's Educational Operations	5	-	2,245	10	2,255	2,511
TOTAL INCOMING RESOURCES		85	2,245	10	2,340	2,618
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of activities for generating funds	6	70	-	-	70	101
Charitable activities:	7					
Academy Trust's educational operations		-	2,079	89	2,168	1,742
Governance costs	8	-	20	-	20	8
TOTAL RESOURCES EXPENDED	9	70	2,099	89	2,258	1,851
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		15	146	(79)	82	767

STAFFORD LEYS ACADEMY TRUST
(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 fund 2015 £000	Total funds 2015 £000	Total funds 2014 £000
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD		15	146	(79)	82	767
Transfers between funds	19	-	(155)	155	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		15	(9)	76	82	767
Actuarial losses on defined benefit pension schemes		-	(23)	-	(23)	(203)
NET MOVEMENT IN FUNDS FOR THE YEAR		15	(32)	76	59	564
Total funds at 1 September 2014		62	(505)	3,772	3,329	2,765
TOTAL FUNDS AT 31 AUGUST 2015		77	(537)	3,848	3,388	3,329

All activities relate to continuing operations.

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

The notes on pages 22 to 41 form part of these financial statements.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08054506

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Tangible assets	15		3,848		3,772
CURRENT ASSETS					
Stocks	16	-		1	
Debtors	17	41		214	
Cash at bank		653		462	
			<u>694</u>	<u>677</u>	
CREDITORS: amounts falling due within one year	18	(205)		(253)	
NET CURRENT ASSETS			<u>489</u>		424
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,337</u>		4,196
Defined benefit pension scheme liability	25		(949)		(867)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>3,388</u>		3,329
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	412		362	
Restricted fixed asset fund	19	3,848		3,772	
			<u>4,260</u>	<u>4,134</u>	
Restricted funds excluding pension liability					
Pension reserve		(949)		(867)	
			<u>3,311</u>	<u>3,267</u>	
Total restricted funds					
Unrestricted funds	19		77		62
TOTAL FUNDS			<u>3,388</u>	<u>3,329</u>	

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:

Edith Fox
Chair of Trustees

Andrew Kitchen
Accounting Officer

The notes on pages 22 to 41 form part of these financial statements.

STAFFORD LEYS ACADEMY TRUST
(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	21	344	343
Returns on investments and servicing of finance	22	3	3
Capital expenditure and financial investment	22	(156)	(78)
INCREASE IN CASH IN THE YEAR		191	268

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

	2015 £000	2014 £000
Increase in cash in the year	191	268
MOVEMENT IN NET FUNDS IN THE YEAR	191	268
Net funds at 1 September 2014	462	194
NET FUNDS AT 31 AUGUST 2015	653	462

The notes on pages 22 to 41 form part of these financial statements.

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 Education Funding Agency.

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

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 as restricted funds.

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

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 £1,000 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.

Assets transferred at conversion have been included at the estimated depreciated replacement cost.

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.

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. 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 buildings	-	2% straight line per annum
Property improvements	-	2% straight line per annum
Furniture and equipment	-	10% straight line per annum
Computer equipment	-	33.33% straight line per annum

The value of land included in long leasehold property is not being depreciated.

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 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 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.

1.10 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 25, 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.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Donations	-	-	-	5

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Catering income	48	-	48	60
Rental income	21	-	21	20
Uniform sales	3	-	3	4
Other income	4	-	4	4
Fundraising	6	-	6	11
	82	-	82	99

4. INVESTMENT INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Interest receivable	3	-	3	3

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,922	1,922	1,808
Pupil Premium	-	80	80	63
Capital grants	-	10	10	481
Other EFA/DfE grants	-	113	113	10
	-	2,125	2,125	2,362
Other government grants				
Local Authority revenue grants	-	44	44	15
	-	44	44	15
Other funding				
Insurance claims	-	27	27	7
School trips and parental contributions	-	59	59	37
Section 106 funding	-	-	-	90
	-	86	86	134
	-	2,255	2,255	2,511

6. COSTS OF ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Catering costs	45	-	45	81
Kitchen staff costs	3	-	3	-
Cost of lettings	18	-	18	18
Uniform costs	4	-	4	2
	70	-	70	101

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

7. ACADEMY TRUST EDUCATIONAL OPERATIONS

	Total funds 2015 £000	Total funds 2014 £000
DIRECT COSTS		
Wages and salaries	1,172	1,020
National insurance	66	59
Pension cost	218	161
Depreciation	90	74
Educational supplies	28	38
Staff development	12	7
Other direct costs	64	38
Insurance	20	12
	<hr/> 1,670	<hr/> 1,409
SUPPORT COSTS		
Wages and salaries	104	90
National insurance	4	4
Pension cost	16	13
Pension finance costs (note 14)	22	24
Travel and subsistence	1	3
Recruitment and support	1	-
Maintenance of premises and equipment	34	45
Cleaning	27	24
Rent and rates	25	12
Energy costs	24	20
Insurance	22	21
Catering	122	-
Legal and professional	9	16
Other support costs	86	60
Bank charges and interest	1	1
	<hr/> 498	<hr/> 333
Total Academy's educational operations	<hr/> 2,168 <hr/>	<hr/> 1,742 <hr/>

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Internal audit costs	-	1	1	1
Auditors' remuneration	-	17	17	7
Governor support services	-	2	2	-
	<u>-</u>	<u>20</u>	<u>20</u>	<u>8</u>

9. RESOURCES EXPENDED

	Staff costs 2015 £000	Non Pay Premises 2015 £000	Expenditure Other costs 2015 £000	Total 2015 £000	Total 2014 £000
Costs of generating voluntary income	4	-	66	70	101
Costs of generating funds	<u>4</u>	<u>-</u>	<u>66</u>	<u>70</u>	<u>101</u>
Educational operations	1,456	61	153	1,670	1,409
Support costs	146	98	254	498	333
Charitable activities	<u>1,602</u>	<u>159</u>	<u>407</u>	<u>2,168</u>	<u>1,742</u>
Governance	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>	<u>8</u>
	<u>1,606</u>	<u>159</u>	<u>493</u>	<u>2,258</u>	<u>1,851</u>

10. NET INCOMING RESOURCES

This is stated after charging:

	2015 £000	2014 £000
Depreciation of fixed assets	90	74
Auditor's remuneration - audit services	8	7
Auditor's remuneration - for comparison audit	9	-
Internal audit costs	1	1
Operating leases	4	4
	<u>112</u>	<u>86</u>

STAFFORD LEYS ACADEMY TRUST
(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
	£000	£000
Wages and salaries	1,267	1,103
Social security costs	70	63
Other pension costs	234	174
	<hr/>	<hr/>
	1,571	1,340
Supply teacher costs	13	11
Pension finance costs (note 14)	22	24
	<hr/>	<hr/>
	1,606	1,375
	<hr/> <hr/>	<hr/> <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	2014
	No.	No.
Teaching	22	16
Administration and support	30	24
Management	5	5
	<hr/>	<hr/>
	57	45
	<hr/> <hr/>	<hr/> <hr/>

c. Higher paid staff

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

	2015	2014
	No.	No.
In the band £70,001 - £80,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

The above employee participated in the Teachers' Pension Scheme. The annual pension contributions amounted to £10,723 (2014: £10,620).

STAFFORD LEYS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

12. 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 Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration was as follows:

	2015	2014
	£000	£000
E McGovern (Headteacher)	75-80	75-80
E McGovern Employers Pension Contributions	10-15	10-15
C Bignell	35-40	30-35
C Bignell Employers Pension Contributions	5-10	0-5
H Riley	20-25	-
H Riley Employers Pension Contributions	0-5	-
P Bowie	10-15	10-15
P Bowie Employers Pension Contributions	0-5	0-5
S Jones	5-10	5-10

Remuneration disclosures for Trustees who resigned prior to 1 September 2014 are not reflected in the table above.

During the year, 2 Trustees received reimbursed expenses totalling £1,886 (2014 - £1,178).

Other related party transactions involving the Trustees are set out in note 27.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,243 (2014 - £1,243). The cost of this insurance is included in the total insurance cost.

14. PENSION FINANCE COSTS

	2015	2014
	£000	£000
Expected return on pension scheme assets	31	28
Interest on pension scheme liabilities	(53)	(52)
	<u>(22)</u>	<u>(24)</u>

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

15. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Property improvements £000	Furniture and equipment £000	Computer equipment £000
Cost				
At 1 September 2014	2,954	839	64	53
Additions	-	129	4	33
At 31 August 2015	<u>2,954</u>	<u>968</u>	<u>68</u>	<u>86</u>
Depreciation				
At 1 September 2014	99	14	9	16
Charge for the year	45	17	7	21
At 31 August 2015	<u>144</u>	<u>31</u>	<u>16</u>	<u>37</u>
Net book value				
At 31 August 2015	<u>2,810</u>	<u>937</u>	<u>52</u>	<u>49</u>
At 31 August 2014	<u>2,855</u>	<u>825</u>	<u>55</u>	<u>37</u>
				Total £000
Cost				
At 1 September 2014				3,910
Additions				166
At 31 August 2015				<u>4,076</u>
Depreciation				
At 1 September 2014				138
Charge for the year				90
At 31 August 2015				<u>228</u>
Net book value				
At 31 August 2015				<u>3,848</u>
At 31 August 2014				<u>3,772</u>

Included in Long leasehold property is land at a valuation of £740,400 (2014 - £740,400) which is not depreciated.

STAFFORD LEYS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

16. STOCKS

	2015	2014
	£000	£000
Goods for resale	-	1
	<u> </u>	<u> </u>

17. DEBTORS

	2015	2014
	£000	£000
Trade debtors	3	1
VAT repayable	15	37
Other debtors	-	6
Prepayments and accrued income	23	170
	<u> </u>	<u> </u>
	41	214
	<u> </u>	<u> </u>

18. CREDITORS:
Amounts falling due within one year

	2015	2014
	£000	£000
Other taxation and social security	22	21
Other creditors	25	30
Accruals and deferred income	158	202
	<u> </u>	<u> </u>
	205	253
	<u> </u>	<u> </u>

Included in the above:

	£000
Deferred income	
Deferred income at 1 September 2014	69
Resources deferred during the year	60
Amounts released from previous years	(69)
	<u> </u>
Deferred income at 31 August 2015	60
	<u> </u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals income and trip income for the 2015/16 academic year.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

19. STATEMENT OF FUNDS

	Brought forward £000	Incoming resources £000	Resources expended £000	Transfers in/(out) £000	Gains/(losses) £000	Carried forward £000
Unrestricted funds						
General funds	62	85	(70)	-	-	77
Restricted funds						
General Annual Grant (GAG)	353	1,922	(1,717)	(146)	-	412
Pupil Premium	-	80	(80)	-	-	-
Capital grants	9	-	-	(9)	-	-
Other EFA/DfE grants	-	113	(113)	-	-	-
Local Authority grants	-	44	(44)	-	-	-
Other income	-	86	(86)	-	-	-
Pension reserve	(867)	-	(59)	-	(23)	(949)
	(505)	2,245	(2,099)	(155)	(23)	(537)
Restricted fixed asset fund						
Restricted fixed asset funds	3,772	10	(89)	155	-	3,848
Total restricted funds	3,267	2,255	(2,188)	-	(23)	3,311
Total of funds	3,329	2,340	(2,258)	-	(23)	3,388

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 £112,000 from GAG funding to the restricted fixed asset fund represent contributions towards the classroom extension, roof retention and new Early Years Foundation Stage Playground area.

Other DfE/EFA Grants

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

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

19. STATEMENT OF FUNDS (continued)

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. Transfers of £9,000 form capital grants to the restricted fixed asset fund represent contributions towards purchase of iPads and large screen projectors.

Other Local Authority grants

These are funds and grants received from the Local Authority and other institutions for use on specific educational projects.

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 fund

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset fund 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	-	-	3,848	3,848	3,772
Current assets	77	617	-	694	677
Creditors due within one year	-	(205)	-	(205)	(253)
Pension reserve	-	(949)	-	(949)	(867)
	<u>77</u>	<u>(537)</u>	<u>3,848</u>	<u>3,388</u>	<u>3,329</u>

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015	2014
	£000	£000
Net incoming resources	82	767
Returns on investments and servicing of finance	(3)	(3)
Depreciation of tangible fixed assets	90	74
Decrease in stocks	1	1
Decrease/(increase) in debtors	173	(177)
(Decrease)/increase in creditors	(48)	97
EFA/DfE grant	(10)	(455)
FRS 17 pension cost less contributions payable	37	15
FRS 17 pension finance costs (note 14)	22	24
	<u>344</u>	<u>343</u>
Net cash inflow from operations	<u>344</u>	<u>343</u>

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

	2015	2014
	£000	£000
Returns on investments and servicing of finance		
Interest received	3	3
	<u>3</u>	<u>3</u>
	2015	2014
	£000	£000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(166)	(533)
EFA/DfE grant	10	455
	<u>(156)</u>	<u>(78)</u>
Net cash outflow capital expenditure	<u>(156)</u>	<u>(78)</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1	Cash flow	Other	31 August
	September		non-cash	2015
	2014	£000	changes	2015
	£000	£000	£000	£000
Cash at bank and in hand	462	191	-	653
	<u>462</u>	<u>191</u>	<u>-</u>	<u>653</u>
Net funds	<u>462</u>	<u>191</u>	<u>-</u>	<u>653</u>

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

24. CONTINGENT LIABILITIES

The Academy received a provisional sum of funding in connection with pupils entering the new Year 6. The Trustees expect to repay part of this funding to the Education Funding Agency when final pupil numbers are agreed. It is not possible to quantify this amount at the time of the approval of the accounts.

25. 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 £25,000 were payable to the scheme at 31 August 2015 (2014 - £21,000) 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

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25. PENSION COMMITMENTS (continued)

- 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 employers pension costs paid to Teachers' Pension Scheme in the period amounted to £115,000 (2014: £99,000).

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 £105,000, of which employer's contributions totalled £82,000 and employees' contributions totalled £23,000. The agreed contribution rates for future years are 21.8% 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	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000
Equities	3.70	405	6.30	367
Bonds	3.70	129	3.30	89
Property	3.70	68	4.50	52
Cash	3.70	12	3.30	16
Total market value of assets		614		524
Present value of scheme liabilities		(1,563)		(1,391)
Deficit in the scheme		(949)		(867)

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

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25. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance Sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(1,563)	(1,391)
Fair value of scheme assets	614	524
Net liability	(949)	(867)

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

	2015 £000	2014 £000
Interest on pension liabilities	(53)	(52)
Expected return on pension scheme assets	31	28
Current service cost	(119)	(75)
Total	(141)	(99)
Actual return on scheme assets	22	59

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

	2015 £000	2014 £000
Opening defined benefit obligation	1,391	1,088
Interest cost	53	52
Contributions by scheme participants	23	17
Actuarial losses	14	183
Current service costs	119	75
Benefits paid	(37)	(24)
Closing defined benefit obligation	1,563	1,391

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

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

	2015	2014
	£000	£000
Opening fair value of scheme assets	524	463
Expected return on assets	31	28
Actuarial losses	(9)	(20)
Contributions by employer	82	60
Contributions by employees	23	17
Benefits paid	(37)	(24)
	614	524

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £268,000 loss (2014 - £245,000 loss).

The Academy expects to contribute £91,000 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	66.00 %	70.00 %
Bonds	21.00 %	17.00 %
Property	11.00 %	10.00 %
Cash	2.00 %	3.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.50 %
Rate of increase in salaries	4.50 %	4.40 %
Rate of increase for pensions in payment	2.60 %	2.60 %
Inflation assumption (CPI)	2.50 %	2.80 %

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	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

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

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 percentage increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	11.00 %	180
1 year increase in member life expectancy	3.00 %	47
0.5% increase in the Salary Increase Rate	5.00 %	79
0.5% increase in the Pension Increase Rate	6.00 %	95

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

Defined benefit pension schemes

	2015 £000	2014 £000	2013 £000
Defined benefit obligation	(1,563)	(1,391)	(1,088)
Scheme assets	614	524	463
Deficit	(949)	(867)	(625)
Experience adjustments on scheme liabilities	(14)	(183)	(83)
Experience adjustments on scheme assets	(9)	(20)	41

26. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	2015 £000	2014 £000	2015 £000	2014 £000
Expiry date:				
Within 1 year	-	-	1	3
Between 2 and 5 years	-	-	2	1

NOTES TO THE FINANCIAL STATEMENTS
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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.

The following related party transactions took place during the period:

Play Pad - a group which L Percival, a staff Trustee until 14 November 2014, runs. Transactions totalling £3,689 (2014: £5,657), relating to the rental of the Academy premises took place during the period that L Percival was a Trustee. There were no amounts outstanding as at 31 August 2015 (2014: £nil).

28. CONTROLLING PARTY

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

29. 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 cease to be a member.

30. COMPANY LIMITED BY GUARANTEE

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