

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members

Edith Fox, Chair of Trustees¹
Rachel Curtis-Bowen, Vice Chair
Mark Kirton, Chair of Finance to 5 November 2014
Alan Humphrey, Chair of Finance from 5 November 2014

Trustees

Edward McGovern, Headteacher¹
Edith Fox, Chair of Trustees¹
Mark Kirton, Chair of Finance to 5 November 2014¹
Jennifer Bell³
Susan Holmes (resigned 20 February 2014)^{1,2}
Louise Percival, Staff Trustee³
Sara Jones, Staff Trustee³
Pauline Bowie, Staff Trustee¹
Caralyn Bignell, Staff Trustee²
Darren Maguire (resigned 30 June 2014)²
Rachel Curtis-Bowen, Vice Chair^{1,4}
Mark Donne^{2,4}
Julie Downes, Staff Trustee^{2,3}
Carole Verity^{2,3}
Michelle Larke²
Alan Humphrey, Chair of Finance from 5 November 2014 (appointed 3 June 2014)¹
Michelle Jackson (appointed 5 November 2014)¹
Alison Hammond (appointed 5 November 2014)²

- 1 Personnel, Finance and Audit Committee
- 2 Curriculum Committee
- 3 Health and Safety Committee
- 4 Performance Management 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, Head Teacher
Karren Hardy, Deputy Head Teacher
Yvonne Stuart, Deputy Head Teacher
Julie Anderson, Business Manager

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Administrative details (continued)

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 2014

The Trustees (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 Stafford Leys Academy Trust (the Academy) for the ended 31 August 2014. The Trustees 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 and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

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.

PRINCIPAL ACTIVITIES

Stafford Leys Community Primary School has an excellent reputation as a provider of quality education, sitting at the heart of the community with a firm commitment to ensuring that all of our children feel secure during their time in school and are challenged to achieve. Our aim is to make everyone feel engaged and excited by learning and to experience the pleasure of achieving personal goals as well as working together as active and valued members of our school.

We are committed to creating and maintaining a working environment where children are keen to learn and respond positively to differing needs and priorities with the right balance of support and challenge. In so doing we believe that all our children have every opportunity to leave our school as confident, articulate and socially adept members of society. We aim to work effectively and proactively with home to provide the quality of education that our children need and deserve.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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.

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.

RISK MANAGEMENT

A thorough Risk Management Assessment has been conducted using guidelines provided by the EFA and has been assessed and approved via Personnel, Finance and Audit Committee along with the Statement of Internal Control. The assessment involved identifying the types of risk the Academy faces, prioritising them into operational and financial impacts, assessing the likelihood of the occurrence and the impact that the occurrence will have on the Academy, putting in place controls to mitigate such risks. Whilst reviewed via the Personnel, Finance and Audit Committee on an annual basis the Risk Register is a live document which is reviewed regularly with Trustees and Management.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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.

ACHIEVEMENTS AND PERFORMANCE

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.

REVIEW OF ACTIVITIES

Attainment on entry to reception was below expectations again in 2013, with most children working within 30-50 months. See "Cohort profile Autumn 2013".

The 2014 end of year EYFS data showed a much improved picture from the previous year, our work on the Improvement Plan priority was successful and led to attainment in line with that expected nationally.

The Year 1 Phonics test in June 2014 showed an overall pass mark of 79% which is above national and the Local Authority average.

Attainment at the end of KS1 in 2014 showed a good picture. Raise online showed that attainment for all subjects, reading and writing were significantly above that achieved nationally. Attainment in mathematics was slightly below the national average.

Attainment at the end of KS2 was above average at the end of the year when compared nationally but not significantly. Overall Average Point Score (APS) in Year 6 2014 was 29.2, the national figure was 28.7.

Progress

Children in the EYFS for the last two years were working below age related expectations on entry (30-50 months).

When we compare percentages of children achieving age related expectations at the beginning of EYFS 2013-

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

14 with those attaining age related expectations at the end, progress in EYFS remains good.

Raise online showed that progress during KS2 was better than that achieved nationally.

| | All | Pupil Premium | SEN |
|--------|-----|---------------|-----|
| Year 6 | 4.4 | - | 5.0 |
| Year 5 | 2.6 | 2.0 | 2.6 |
| Year 4 | 2.6 | 2.7 | 2.4 |
| Year 3 | 2.2 | 2.1 | 3.1 |
| Year 2 | 4.6 | 4.7 | 4.2 |
| Year 1 | 4.4 | 3.7 | 1.2 |

(All data shows APS progress averaged across reading, writing and maths).

Children in receipt of the Pupil Premium in 2013/14 are on the whole making similar progress to their peers.

Children with SEN made similar progress to their peers. Progress by this group was close to national expectations.

KEY FINANCIAL PERFORMANCE INDICATORS

The Personnel, Finance and Audit Committee review financial performance indicators through budget monitoring exercises each meeting where the current financial position is scrutinised. This in turn is presented to Full Trustees three times a year plus a commentary.

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 2014 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.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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.
- 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.

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 £62,000 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.

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 2015.

PLANS FOR THE FUTURE

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 was approved by order of the Board of Trustees on 3 December 2014 and signed on the board's behalf by:

Edith Fox
Chair of Trustees

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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 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------|-------------------|-------------------|
| Edward McGovern | 3 | 3 |
| Edith Fox, Chair of Trustees | 2 | 3 |
| Mark Kirton | 3 | 3 |
| Jennifer Bell | 1 | 3 |
| Susan Holmes | 0 | 1 |
| Louise Percival | 3 | 3 |
| Sara Jones | 3 | 3 |
| Pauline Bowie | 3 | 3 |
| Caralyn Bignell | 3 | 3 |
| Darren Maguire | 0 | 3 |
| Rachel Curtis-Bowen | 3 | 3 |
| Mark Donne | 3 | 3 |
| Julie Downes | 2 | 3 |
| Carole Verity | 2 | 3 |
| Michelle Larke | 3 | 3 |
| Alan Humphrey | 0 | 1 |
| Michelle Jackson | 0 | 0 |
| Alison Hammond | 0 | 0 |

Michelle Jackson and Alison Hammond were appointed as a Trustees on 5 November 2014.

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:

| Trustee | Meetings attended | Out of a possible |
|-----------------|-------------------|-------------------|
| Edward McGovern | 5 | 5 |
| Edith Fox | 4 | 5 |
| Mark Kirton | 5 | 5 |
| Susan Holmes | 2 | 3 |

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GOVERNANCE STATEMENT (continued)

| | | |
|---------------------|---|---|
| Pauline Bowie | 5 | 5 |
| Rachel Curtis-Bowen | 1 | 5 |
| Alan Humphrey | 1 | 1 |

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 1 September 2013 to 31 August 2014 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 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of 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;
- 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. 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; and
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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GOVERNANCE STATEMENT (continued)

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 3 December 2014 and signed on its behalf, by:

Edith Fox
Chair of Trustees

Edward McGovern
Accounting Officer

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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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

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 (2013).

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.

Edward McGovern
Accounting Officer

Date: 3 December 2014

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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 and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 3 December 2014 and signed on its behalf by:

Edith Fox
Chair of Trustees

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

We have audited the financial statements of Stafford Leys Academy Trust for the year ended 31 August 2014 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 2013 to 2014 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 2014 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 2013 to 2014 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 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 BOARD OF TRUSTEES 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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

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
11 December 2014

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 28 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stafford Leys Academy Trust during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by 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;

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 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

11 December 2014

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 2014

| | | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Restricted fixed asset funds 2014 £000 | Total funds 2014 £000 | 15 month period ended 31 August 2013 £000 |
|---|------|---------------------------------------|-------------------------------------|--|--------------------------------|---|
| | Note | | | | | |
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Assets transferred on conversion | 2 | - | - | - | - | 2,570 |
| Voluntary income | 2 | - | - | 5 | 5 | 8 |
| Activities for generating funds | 3 | 99 | - | - | 99 | 111 |
| Investment income | 4 | 3 | - | - | 3 | 3 |
| Funding for the Academy Trust's Educational Operations | 5 | - | 2,065 | 446 | 2,511 | 2,246 |
| TOTAL INCOMING RESOURCES | | 102 | 2,065 | 451 | 2,618 | 4,938 |
| RESOURCES EXPENDED | | | | | | |
| Costs of activities for generating funds | | | | | | |
| Costs of activities for generating funds | 6 | 80 | 21 | - | 101 | 23 |
| Charitable activities | 7 | - | 1,668 | 74 | 1,742 | 2,087 |
| Governance costs | 8 | - | 8 | - | 8 | 21 |
| TOTAL RESOURCES EXPENDED | 9 | 80 | 1,697 | 74 | 1,851 | 2,131 |
| NET INCOMING RESOURCES BEFORE TRANSFERS, CARRIED FORWARD | | 22 | 368 | 377 | 767 | 2,807 |

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

| | Note | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Restricted fixed asset funds 2014 £000 | Total funds 2014 £000 | 15 month period ended 31 August 2013 £000 |
|---|------|---------------------------------------|-------------------------------------|--|--------------------------------|---|
| NET INCOMING RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD | | 22 | 368 | 377 | 767 | 2,807 |
| Transfers between funds | 19 | - | (82) | 82 | - | - |
| NET INCOME/(EXPENDITURE) FOR THE YEAR | | 22 | 286 | 459 | 767 | 2,807 |
| Actuarial losses on defined benefit pension schemes | | - | (203) | - | (203) | (42) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 22 | 83 | 459 | 564 | 2,765 |
| Total funds at 1 September 2013 | | 40 | (588) | 3,313 | 2,765 | - |
| TOTAL FUNDS AT 31 AUGUST 2014 | | 62 | (505) | 3,772 | 3,329 | 2,765 |

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 43 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2014

| | Note | £000 | 2014 £000 | £000 | 2013 £000 |
|---|------|-------|---------------------|---------------------|--------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 15 | | 3,772 | | 3,313 |
| CURRENT ASSETS | | | | | |
| Stocks | 16 | 1 | | 2 | |
| Debtors | 17 | 214 | | 37 | |
| Cash at bank | | 462 | | 194 | |
| | | | <u>677</u> | <u>233</u> | |
| CREDITORS: amounts falling due within one year | 18 | (253) | | (156) | |
| NET CURRENT ASSETS | | | <u>424</u> | <u>77</u> | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| Defined benefit pension scheme liability | 25 | | <u>(867)</u> | | (625) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u><u>3,329</u></u> | <u><u>2,765</u></u> | |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | 19 | 362 | | 37 | |
| Restricted fixed asset funds | 19 | 3,772 | | 3,313 | |
| | | | <u>4,134</u> | <u>3,350</u> | |
| Restricted funds excluding pension liability | | | | | |
| Pension reserve | | (867) | | (625) | |
| | | | <u>3,267</u> | <u>2,725</u> | |
| Total restricted funds | | | | | |
| Unrestricted funds | 19 | | <u>62</u> | | 40 |
| TOTAL FUNDS | | | <u><u>3,329</u></u> | <u><u>2,765</u></u> | |

The financial statements were approved by the Trustees, and authorised for issue, on 3 December 2014 and are signed on their behalf, by:

Edith Fox
Chair of Trustees

Edward McGovern
Accounting Officer

The notes on pages 22 to 43 form part of these financial statements.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

| | Note | 2014 £000 | Period ended 31 August 2013 £000 |
|--|-------------|----------------------------|--|
| Net cash flow from operating activities | 21 | 343 | 444 |
| Returns on investments and servicing of finance | 22 | 3 | 3 |
| Capital expenditure and financial investment | 22 | (78) | (423) |
| Cash transferred on conversion to an Academy Trust | | - | 170 |
| INCREASE IN CASH IN THE YEAR | | 268 | 194 |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

| | 2014 £000 | Period ended 31 August 2013 £000 |
|--|----------------------------|--|
| Increase in cash in the year | 268 | 194 |
| MOVEMENT IN NET FUNDS IN THE YEAR | 268 | 194 |
| Net funds at 1 September 2013 | 194 | - |
| NET FUNDS AT 31 AUGUST 2014 | 462 | 194 |

The notes on pages 22 to 43 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

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.

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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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 2014

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation 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 2014

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 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | 15 month period ended 31 August 2013 £000 |
|---|---|---|--|---|
| Local Authority surplus transferred on conversion | - | - | - | 160 |
| School fund transferred on conversion | - | - | - | 10 |
| Fixed assets transferred on conversion | - | - | - | 2,954 |
| Pension deficit transferred on conversion | - | - | - | (554) |
| Total | - | - | - | 2,570 |
| Donations | - | 5 | 5 | 8 |
| Voluntary income | - | 5 | 5 | 2,578 |

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | 15 month period ended 31 August 2013 £000 |
|-----------------|---|---|--|---|
| Catering income | 60 | - | 60 | 62 |
| Rental income | 20 | - | 20 | 23 |
| Uniform sales | 4 | - | 4 | 7 |
| Fundraising | 11 | - | 11 | 4 |
| Other income | 4 | - | 4 | 15 |
| | <u>99</u> | <u>-</u> | <u>99</u> | <u>111</u> |

4. INVESTMENT INCOME

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | 15 month period ended 31 August 2013 £000 |
|---------------------|---|---|--|---|
| Interest receivable | <u>3</u> | <u>-</u> | <u>3</u> | <u>3</u> |

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | 15 month period ended 31 August 2013 £000 |
|---|---------------------------------------|-------------------------------------|--------------------------------|---|
| DfE/EFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 1,808 | 1,808 | 1,942 |
| Pupil Premium | - | 63 | 63 | 35 |
| Capital grants | - | 481 | 481 | 160 |
| Start up grants | - | - | - | 25 |
| Other EFA/DfE grants | - | 10 | 10 | - |
| | - | 2,362 | 2,362 | 2,162 |
| Other government grants | | | | |
| Local Authority revenue grants | - | 15 | 15 | 24 |
| | - | 15 | 15 | 24 |
| Other funding | | | | |
| Insurance claims | - | 7 | 7 | 6 |
| School trips and parental contributions | - | 37 | 37 | 54 |
| Section 106 funding | - | 90 | 90 | - |
| | - | 134 | 134 | 60 |
| | - | 2,511 | 2,511 | 2,246 |

6. COSTS OF GENERATING VOLUNTARY INCOME

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | 15 month period ended 31 August 2013 £000 |
|------------------|---------------------------------------|-------------------------------------|--------------------------------|---|
| Cost of lettings | 18 | - | 18 | 19 |
| Catering costs | 60 | 21 | 81 | - |
| Uniform costs | 2 | - | 2 | 4 |
| | 80 | 21 | 101 | 23 |

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

7. CHARITABLE ACTIVITIES

| | Total funds 2014 £000 | 15 month period ended 31 August 2013 £000 |
|---|--|---|
| DIRECT COSTS - EDUCATIONAL OPERATIONS | | |
| Wages and salaries | 1,020 | 1,185 |
| National insurance | 59 | 73 |
| Pension cost | 161 | 170 |
| Depreciation | 74 | 64 |
| Educational supplies | 38 | 31 |
| Staff development | 7 | 4 |
| Other direct costs | 38 | 58 |
| Insurance | 12 | 25 |
| | 1,409 | 1,610 |
| SUPPORT COSTS - EDUCATIONAL OPERATIONS | | |
| Wages and salaries | 90 | 111 |
| National insurance | 4 | 5 |
| Pension cost | 13 | 19 |
| Pension finance cost (note 14) | 24 | 28 |
| Travel and subsistence | 3 | 3 |
| Recruitment and support | - | 1 |
| Maintenance of premises and equipment | 45 | 61 |
| Cleaning | 24 | 30 |
| Rent and rates | 12 | 12 |
| Energy costs | 20 | 30 |
| Insurance | 21 | 29 |
| Catering | - | 91 |
| Legal and professional | 16 | 2 |
| Other support costs | 60 | 54 |
| Bank charges and interest | 1 | 1 |
| | 333 | 477 |
| | 1,742 | 2,087 |

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

8. GOVERNANCE COSTS

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Total funds 2014 £000 | 15 month period ended 31 August 2013 £000 |
|---|---|---|--|---|
| Legal fees | - | 1 | 1 | 13 |
| Auditors' remuneration - audit services | - | 7 | 7 | 6 |
| Auditors' remuneration - non audit services | - | - | - | 2 |
| | <u>-</u> | <u>8</u> | <u>8</u> | <u>21</u> |
| | <u><u>-</u></u> | <u><u>8</u></u> | <u><u>8</u></u> | <u><u>21</u></u> |

9. RESOURCES EXPENDED

| | Staff costs 2014 £000 | Non Pay Premises 2014 £000 | Expenditure Other costs 2014 £000 | Total 2014 £000 | Total 2013 £000 |
|---|--------------------------------------|---|--|--------------------------------|-----------------------|
| Costs of generating voluntary income | 4 | - | 97 | 101 | 23 |
| Costs of generating funds | <u>4</u> | <u>-</u> | <u>97</u> | <u>101</u> | <u>23</u> |
| Educational operations | 1,240 | 61 | 108 | 1,409 | 1,610 |
| Support costs | 131 | 76 | 126 | 333 | 477 |
| Charitable activities | <u>1,371</u> | <u>137</u> | <u>234</u> | <u>1,742</u> | <u>2,087</u> |
| Governance | <u>-</u> | <u>-</u> | <u>8</u> | <u>8</u> | <u>21</u> |
| | <u><u>1,375</u></u> | <u><u>137</u></u> | <u><u>339</u></u> | <u><u>1,851</u></u> | <u><u>2,131</u></u> |

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

10. NET INCOMING RESOURCES

This is stated after charging:

| | 2014 £000 | 2013 £000 |
|---|----------------------------|--------------|
| Depreciation of fixed assets | 74 | 64 |
| Auditor's remuneration - audit services | 7 | 6 |
| Auditor's remuneration - non-audit services | - | 2 |
| Legal fees | 1 | 13 |
| Operating leases | 4 | 4 |
| | <u>76</u> | <u>89</u> |

11. STAFF

a. Staff costs

Staff costs were as follows:

| | 2014 £000 | 2013 £000 |
|--------------------------------|----------------------------|--------------|
| Wages and salaries | 1,103 | 1,291 |
| Social security costs | 63 | 78 |
| Other pension costs (note 25) | 174 | 189 |
| | <u>1,340</u> | <u>1,558</u> |
| Supply teacher costs | 11 | 1 |
| Compensation payments | - | 8 |
| FRS 17 pension costs (note 14) | 24 | 28 |
| | <u>1,375</u> | <u>1,595</u> |

b. Staff numbers

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

| | 2014 No. | 2013 No. |
|----------------------------|---------------------------|-------------|
| Teaching | 16 | 15 |
| Administration and support | 24 | 22 |
| Management | 5 | 4 |
| | <u>45</u> | <u>41</u> |

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

11. STAFF (continued)

c. Higher paid staff

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

| | 2014 | 2013 |
|-------------------------------|-------------|----------|
| | No. | No. |
| In the band £70,001 - £80,000 | <u>1</u> | <u>1</u> |

The above employee participated in the Teachers' Pension Scheme. The annual pension contributions amounted to £10,620 (2013: £10,610).

Staff are paid in accordance with National Pay Scales.

STAFFORD LEYS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration (including employer's pension contributions) fell within the following bands:

| | 2014 | 15 month period ended 31 August 2013 |
|--------------------------------------|-------|--|
| | £000 | £000 |
| E McGovern (Headteacher and Trustee) | 75-80 | 90-95 |
| E McGovern Pension | 10-15 | 10-15 |
| Staff Trustee 1 | 0-5 | 0-5 |
| Staff Trustee 1 Pension | 0-5 | 0-5 |
| Staff Trustee 2 | 5-10 | 5-10 |
| Staff Trustee 2 Pension | 0-5 | 0-5 |
| Staff Trustee 3 | 10-15 | 10-15 |
| Staff Trustee 3 Pension | 0-5 | 0-5 |
| Staff Trustee 4 | 30-35 | 35-40 |
| Staff Trustee 4 Pension | 0-5 | 5-10 |
| Staff Trustee 5 | 5-10 | - |
| Staff Trustee 5 Pension | 0-5 | - |

During the period, no Trustees received any reimbursement of expenses.

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 2014 was £1,243 (2013 - £1,380). The cost of this insurance is included in the total insurance cost.

14. PENSION FINANCE COSTS

| | 2014 | 2013 |
|--|-------------|-------------|
| | £000 | £000 |
| Expected return on pension scheme assets | 28 | 21 |
| Interest on pension scheme liabilities | (52) | (49) |
| | <u>(24)</u> | <u>(28)</u> |

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

15. TANGIBLE FIXED ASSETS

| | Long leasehold property £000 | Property improvements £000 | Furniture and equipment £000 | Computer equipment £000 |
|--------------------------|---------------------------------------|----------------------------------|------------------------------------|-------------------------------|
| Cost or valuation | | | | |
| At 1 September 2013 | 2,954 | 356 | 45 | 22 |
| Additions | - | 483 | 19 | 31 |
| At 31 August 2014 | <u>2,954</u> | <u>839</u> | <u>64</u> | <u>53</u> |
| Depreciation | | | | |
| At 1 September 2013 | 55 | 3 | 3 | 3 |
| Charge for the year | 44 | 11 | 6 | 13 |
| At 31 August 2014 | <u>99</u> | <u>14</u> | <u>9</u> | <u>16</u> |
| Net book value | | | | |
| At 31 August 2014 | <u>2,855</u> | <u>825</u> | <u>55</u> | <u>37</u> |
| At 31 August 2013 | <u>2,899</u> | <u>353</u> | <u>42</u> | <u>19</u> |
| | | | | Total £000 |
| Cost or valuation | | | | |
| At 1 September 2013 | | | | 3,377 |
| Additions | | | | 533 |
| At 31 August 2014 | | | | <u>3,910</u> |
| Depreciation | | | | |
| At 1 September 2013 | | | | 64 |
| Charge for the year | | | | 74 |
| At 31 August 2014 | | | | <u>138</u> |
| Net book value | | | | |
| At 31 August 2014 | | | | <u>3,772</u> |
| At 31 August 2013 | | | | <u>3,313</u> |

Included in Long leasehold property is land at a valuation of £740,400 (2013 - £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 2014

16. STOCKS

| | 2014 | 2013 |
|------------------|-------------|----------|
| | £000 | £000 |
| Goods for resale | 1 | 2 |
| | <u>1</u> | <u>2</u> |

17. DEBTORS

| | 2014 | 2013 |
|--------------------------------|-------------|-----------|
| | £000 | £000 |
| Trade debtors | 1 | - |
| VAT repayable | 37 | 25 |
| Other debtors | 6 | - |
| Prepayments and accrued income | 170 | 12 |
| | <u>214</u> | <u>37</u> |
| | <u>214</u> | <u>37</u> |

18. CREDITORS:
Amounts falling due within one year

| | 2014 | 2013 |
|------------------------------------|-------------|------------|
| | £000 | £000 |
| Other taxation and social security | 21 | 20 |
| Other creditors | 30 | 19 |
| Accruals and deferred income | 202 | 117 |
| | <u>253</u> | <u>156</u> |
| | <u>253</u> | <u>156</u> |

Included in the above:

| | |
|------------------------------------|-------------|
| Deferred income | £000 |
| Resources deferred during the year | 69 |
| | <u>69</u> |

STAFFORD LEYS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 | 40 | 102 | (80) | - | - | 62 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | 37 | 1,808 | (1,410) | (82) | - | 353 |
| Pupil Premium | - | 63 | (63) | - | - | - |
| Capital grants | - | 125 | (116) | - | - | 9 |
| Other EFA/DfE grants | - | 10 | (10) | - | - | - |
| Local Authority grants | - | 15 | (15) | - | - | - |
| Other income | - | 44 | (44) | - | - | - |
| Pension reserve | (625) | - | (39) | - | (203) | (867) |
| | (588) | 2,065 | (1,697) | (82) | (203) | (505) |
| Restricted fixed asset funds | | | | | | |
| Restricted fixed asset funds | 3,313 | 451 | (74) | 82 | - | 3,772 |
| Total restricted funds | 2,725 | 2,516 | (1,771) | - | (203) | 3,267 |
| Total of funds | 2,765 | 2,618 | (1,851) | - | (203) | 3,329 |

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 2014. Transfers of £73,000 from GAG funding to the restricted fixed asset fund represent contributions towards the classroom extension, a disabled lift and other asset additions.

Other DfE/EFA Grants

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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.

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.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2014 £000 | Restricted funds 2014 £000 | Restricted fixed asset funds 2014 £000 | Total funds 2014 £000 | 15 month period ended 31 August 2013 £000 |
|--|---|---|---|--|---|
| Tangible fixed assets | - | - | 3,772 | 3,772 | 3,313 |
| Current assets | 62 | 615 | - | 677 | 233 |
| Creditors due within one year | - | (253) | - | (253) | (156) |
| Provisions for liabilities and charges | - | (867) | - | (867) | (625) |
| | 62 | (505) | 3,772 | 3,329 | 2,765 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

21. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2014 | 2013 |
|---|-------------|------------|
| | £000 | £000 |
| Net incoming resources before revaluations | 767 | 2,807 |
| Returns on investments and servicing of finance | (3) | (3) |
| Fixed assets transferred from Local Authority on conversion | - | (2,954) |
| Cash transferred from Local Authority on conversion | - | (170) |
| Depreciation of tangible fixed assets | 74 | 64 |
| Decrease/(increase) in stocks | 1 | (2) |
| Increase in debtors | (177) | (37) |
| Pension transferred from Local Authority on conversion | - | 554 |
| Increase in creditors | 97 | 156 |
| EFA/DfE grant | (455) | - |
| FRS 17 adjustments | 39 | 29 |
| | <u>343</u> | <u>444</u> |
| Net cash inflow from operations | 343 | 444 |

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

| | 2014 | 2013 |
|--|-------------|--------------|
| | £000 | £000 |
| Returns on investments and servicing of finance | | |
| Interest received | 3 | 3 |
| | <u>3</u> | <u>3</u> |
| | 2014 | 2013 |
| | £000 | £000 |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (533) | (423) |
| EFA/DfE grant | 455 | - |
| | <u>(78)</u> | <u>(423)</u> |
| Net cash outflow capital expenditure | (78) | (423) |

23. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 | Cash flow | Other | 31 August |
|--------------------------|------------|------------|----------|------------|
| | September | | non-cash | 2014 |
| | 2013 | £000 | changes | £000 |
| | £000 | £000 | £000 | £000 |
| Cash at bank and in hand | 194 | 268 | - | 462 |
| | <u>194</u> | <u>268</u> | <u>-</u> | <u>462</u> |
| Net funds | 194 | 268 | - | 462 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 2014 and of the LGPS 31 March 2013.

Contributions amounting to £20,887 were payable to the scheme at 31 August 2014 (2013 - £18,807) 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

25. PENSION COMMITMENTS (continued)

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

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 2014 was £77,000, of which employer's contributions totalled £60,000 and employees' contributions totalled £17,000. The agreed contribution rates for future years are 18.2% for employers and 6.1% 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.

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

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

| | Expected return at 31 August 2014 % | Fair value at 31 August 2014 £000 | Expected return at 31 August 2013 % | Fair value at 31 August 2013 £000 |
|------------------------------|--|--|--|--|
| Equities | 6.30 | 367 | 6.60 | 296 |
| Bonds | 3.30 | 89 | 3.80 | 120 |
| Property | 4.50 | 52 | 4.70 | 42 |
| Cash | 3.30 | 16 | 3.60 | 5 |
| Total market value of assets | | 524 | | 463 |
| Surplus in the scheme | | 524 | | 463 |

The amounts recognised in the Balance Sheet are as follows:

| | 2014 £000 | 2013 £000 |
|-------------------------------------|----------------------|--------------|
| Present value of funded obligations | (1,391) | (1,088) |
| Fair value of scheme assets | 524 | 463 |
| Net liability | (867) | (625) |

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

| | 2014 £000 | 2013 £000 |
|--|----------------------|--------------|
| Interest on pension liabilities | (52) | (49) |
| Expected return on pension scheme assets | 28 | 21 |
| Current service cost | (75) | 59 |
| Total | (99) | 31 |
| Actual return on scheme assets | 59 | 61 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

25. PENSION COMMITMENTS (continued)

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

| | 2014 | 2013 |
|--------------------------------------|--------------|-------------|
| | £000 | £000 |
| Opening defined benefit obligation | 1,088 | 866 |
| Interest cost | 52 | 49 |
| Contributions by scheme participants | 17 | 20 |
| Actuarial Losses | 183 | 83 |
| Current service costs | 75 | 70 |
| Benefits paid | (24) | - |
| | <hr/> | <hr/> |
| Closing defined benefit obligation | 1,391 | 1,088 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

| | 2014 | 2013 |
|-------------------------------------|-------------|-------------|
| | £000 | £000 |
| Opening fair value of scheme assets | 463 | 312 |
| Expected return on assets | 28 | 21 |
| Actuarial gains and (losses) | (20) | 41 |
| Contributions by employer | 60 | 69 |
| Contributions by employees | 17 | 20 |
| Benefits paid | (24) | - |
| | <hr/> | <hr/> |
| | 524 | 463 |
| | <hr/> <hr/> | <hr/> <hr/> |

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £245,000 loss (2013 - £42,000 loss).

The Academy expects to contribute £66,000 to its Defined Benefit Pension Scheme in 2015.

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

| | 2014 | 2013 |
|----------|----------------|---------|
| Equities | 70.00 % | 64.00 % |
| Bonds | 17.00 % | 26.00 % |
| Property | 10.00 % | 9.00 % |
| Cash | 3.00 % | 1.00 % |

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

| | 2014 | 2013 |
|--|---------------|--------|
| Discount rate for scheme liabilities | 3.70 % | 4.60 % |
| Expected return on scheme assets at 31 August | 5.50 % | 5.70 % |
| Rate of increase in salaries | 4.40 % | 5.10 % |
| Rate of increase for pensions in payment / inflation | 2.60 % | 2.80 % |

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NOTES TO THE FINANCIAL STATEMENTS
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25. 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:

| | 2014 | 2013 |
|----------------------|-------------|------|
| Retiring today | | |
| Males | 22.2 | 20.9 |
| Females | 24.3 | 23.3 |
| Retiring in 20 years | | |
| Males | 24.2 | 23.3 |
| Females | 26.6 | 25.6 |

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

| | 2014 | 2013 |
|--|----------------|---------|
| | £000 | £000 |
| Defined benefit obligation | (1,391) | (1,088) |
| Scheme assets | 524 | 463 |
| Deficit | (867) | (625) |
| Experience adjustments on scheme liabilities | (183) | (83) |
| Experience adjustments on scheme assets | (20) | 41 |

26. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|-----------------------|---------------------------|------|--------------|------|
| | 2014 | 2013 | 2014 | 2013 |
| | £000 | £000 | £000 | £000 |
| Expiry date: | | | | |
| Within 1 year | - | - | 3 | - |
| Between 2 and 5 years | - | - | 1 | 3 |

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:

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27. RELATED PARTY TRANSACTIONS (continued)

Play Pad - a group which Louise Percival, a staff Trustee, runs. Transactions totalling £5,657 (2013: £5,525), relating to the rental of the Academy premises took place during the period. There were no amounts outstanding as at 31 August 2014.

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.