

**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**Governors**

Mr S Fairbanks, Governor  
Miss D Gooden, Governor  
Miss H Groom, Governor (appointed 16 December 2014)  
Mrs V Harris, Governor (resigned 30 November 2014)  
Ms S Khatun, Staff Governor (appointed 16 December 2014)  
Mr J Line, Vice Chair<sup>1</sup>  
Mr G Moss, Chair of Governors (effective 1 September 2014), Chair of Premises,  
Health and Safety Committee<sup>1</sup>  
Mr D Ricketts, Acting Principal (appointed 1 September 2015)<sup>1</sup>  
Mrs S Simmons, Principal (resigned 31 August 2015)

<sup>1</sup> Finance/Audit Committee

**Members**

Mr G Moss  
The Diocese of Birmingham Educational Trust  
Birmingham Diocesan Board of Finance  
The Archdeacon of Birmingham

**Company registered number**

08165736

**Principal and registered office**

Butlin Street  
Nechells  
Birmingham  
B7 5NS

**Company secretary**

Academy Company Secretary Ltd

**Senior management team**

Mr D Ricketts, Acting Principal from 1 September 2015  
Mrs S Simmons, Principal until 31 August 2015  
Mr L Davis, Finance Officer from 1 September 2015  
Miss D Shryane, Vice Principal  
Miss M Harris, Vice Principal

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

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**Administrative details (continued)**

**Independent auditor**

Crowe Clark Whitehill LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

**Bankers**

Lloyds Bank Plc  
22a Great Hampton Street  
Birmingham  
West Midlands  
B18 6AH

**Solicitors**

Lee Bolton Monier Williams  
1 The Sanctuary  
London  
SW1P 3JT



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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of St Clement's C of E Primary Academy, Nechells (the academy) for the ended 31 August 2015. The Governors confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

St Clement's C of E Primary Academy, Nechells, a Church of England Academy, provides education for pupils of different abilities between the ages of 3 and 11. Our pupils are drawn from families living within the local area in accordance with our published admission criteria. It has a pupil capacity of 210 and all but 4 places are currently filled. The school currently has 13 full time Nursery places, with 3 part time places. For the Spring term 2016 we will also have 10 additional part time places for 'rising 3s'.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **CONSTITUTION**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors are the directors of the Charitable Company for the purposes of company law. Members delegate responsibility to the Governors for the charitable activities of St. Clement's C of E Primary Academy, Nechells.

Details of the Governors who served during the year 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.

### **GOVERNORS' INDEMNITIES**

The Academy Trust purchases 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; provided that any insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as Directors of the Academy Trust

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

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**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS**

The Academy Trust's Governing documents require that the Trust shall have the following Governors:

- a) The Principal
- b) 6 Diocesan Governors - 5 appointed by the Diocesan Board of Education
- c) 2 staff Governors
- d) Up to 2 parent Governors
- e) Up to 1 community Governor

The Principal is an ex-officio Governor.

The Diocesan Board of Education may decide to co-opt additional members or the Academy trust may make this decision in conjunction with the Diocesan board of Education.

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS**

The Academy purchases support as required from the Birmingham School and Governor Support at Birmingham Local Authority. Support is also offered from Birmingham Diocesan Board of Education which provides regular courses and training for Governors. This all enhances and supports the in-house induction and training programme. Courses and training are also offered by Birmingham Local Authority and other training providers and the Clerk informs each Governor about these.

Governors are kept up to date with their legislative obligations and best practice through the above support services and by the Clerk to the Governing Body.

**ORGANISATIONAL STRUCTURE**

The Governing Body is responsible for all major decisions about the Academy. The Governing Body is responsible for setting all policies covering Personnel, Health & Safety; Curriculum and Financial aspects of the work of the Academy and monitors this.

The full Governing Body meets at least once a term. The work of the Governing Body is delegated to sub committees that are formerly constituted with terms of reference, namely:

- Finance and Audit
- Staffing and Pay
- Premises, Health and Safety
- Curriculum
- Disciplinary and Appeals Committee (constituted as required)\*

The sub committees (with the exception of \*) meet at least termly and the Chairs of these committees report back to the full Governing Body meetings.

The day to day management of the Academy is delegated by the Governing Body to the Principal who is supported by the Senior Leadership Team which comprises: Principal and Vice Principals. The Principal is the Accounting Officer.

The Governing Body receives regular reports from the Senior Leadership Team, including budget allocation and expenditure and other data updates including teaching and learning and achievement and standards. The levels of authorisation of budget spend are detailed in the 'Principle Delegation Statement' reviewed annually by the Governing Body.

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

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The initial School Improvement Plan is drawn up by the Principal working with the Senior Leadership Team. The draft plan is reviewed and approved by the full Governing Body. The Curriculum Committee reviews the progress of the plan as part of their regular work. The Premises, Health and Safety Committee reviews the environmental and building part of the School Development Plan.

As a primary Academy, a high percentage of the Academy's expenditure relates to staffing. The Staffing Structure is determined by the Governing Body working with the Principal. The School Improvement Plan and the staffing structure then informs the Academy budget.

### **CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

The Academy works with many school networks both within the Birmingham Local Authority (school-to-school networks, Aston-Nechells Consortium) and Birmingham Diocese to further the principal activities of the Academy.

The Academy Trust is sponsored by the Birmingham Diocesan Board of Education via its Academy sponsor trust – Diocese of Birmingham Educational Trust. The sponsor supports the Academy Trust through the implementation of the Diocesan School Effectiveness Strategy and Framework for School Improvement. This includes amongst other things, the provision of support and challenge for school evaluation and planning for improvement through termly Challenge Advisor visits, assistance in strategic planning and reporting, the provision of enhanced responsible officer role, and provision of a rigorous accountability framework through scrutiny of school improvement (pupil led and financial) outcomes.

There are no other related parties which either control or significantly influence the decisions and operations of St Clement's C of E Academy Nechells apart from its sponsor.

### **OBJECTIVES AND ACTIVITIES**

#### **OBJECTS AND AIMS**

The principal object and activity of the charitable company is the operation of St Clement's C of E Primary Academy, Nechells to provide education and care for pupils of different abilities between the ages of 3 and 11.

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, that the school:

- has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum) including English, Mathematics and Science;
- provides education for pupils of different abilities;
- provides education for pupils who live within the area of the school.

The aims of the Academy during the period ended 31 August 2015 are summarised below.

The ethos and vision of St Clement's CE Academy Nechells is contained within our ethos statement:

*St. Clement's has served the community in Nechells, as a church school in the name of Christ, since 1859.*

*All children who attend are offered a high quality education that values every person as an individual made in the image of God and seeks to develop them to fulfil their potential both academically and spiritually. We aim to produce citizens of a global community who uphold and respect shared values, which strongly align with the Christian values of the Anglican Communion.*



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

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*All individuals, representing a diverse range of backgrounds and beliefs, are welcomed wholeheartedly into our school family and are nurtured and supported by our harmonious school community. Friendship is a blessing extended to each and every one, as we develop a multi-faith community where God's love, compassion and forgiveness inform our daily lives.*

### **School Culture**

At St Clement's we aim to provide opportunities and experiences for everyone to learn and develop their social, creative and academic skills within a motivating and stimulating environment.

We aim to:

- foster an environment that is enriched spiritually, morally and socially through the Christian faith;
- value each child as an individual, regardless of faith, ability, gender or ethnicity;
- nurture children to be polite, respectful and considerate towards one another;
- offer a range of opportunities and experiences to develop their confidence, self-esteem and independence;
- encourage each child to fulfil their individual potential within all areas of the curriculum;
- promote knowledge and understanding through a secure, stimulating and enriched environment;
- create a broad educational experience that is enriched both morally and spiritually through partnership with staff, Governors, parents, the local community and the Birmingham Diocese;
- to enable each child to value themselves and have aspirations for the future;
- to recognise everyone's place in the wider community.

### **OBJECTIVES, STRATEGIES AND ACTIVITIES**

The Academy's Self Evaluation identified specific School Development focuses for this year including the following:

- Introduction of initiatives to ensure identified groups make accelerated progress;
- Introduce and embed teaching strategies to increase level of Outstanding teaching across the School;
- To develop further the teaching of writing throughout the Academy;
- To develop new curriculum requirements alongside cementing our ethos as a Church school.

### **PUBLIC BENEFIT**

The Academy is mindful of the guidance on Public Benefit issues by the Charity Commission, and the requirements to comply with current legalisation. The Academy will continue to provide education to children that:

- Is balanced and broadly based;
- Provides the spiritual, moral, cultural, mental and physical development of students at the Academy;
- Prepares students for the opportunities, responsibilities and experiences of later life;
- Promotes, sustains and increase individual and collective knowledge and understanding of study, skills and expertise.

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

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**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**KEY PERFORMANCE INDICATORS**

Our key achievements in 2015 with comparatives to previous years and national benchmarks are as follows:

**Early Years Foundation Stage**

The Early Years Foundation Stage Profile (EYFSP) is a teacher assessment of children's development at the end of the EYFS (the end of the academic year in which the pupil turns five).

It should support a smooth transition to Key Stage 1 (KS1) by informing the professional dialogue between EYFS and KS1 teachers. This information should help Year 1 teachers plan an effective, responsive and appropriate curriculum that will meet the needs of all children.

The Profile is also designed to inform parents or carers about their pupil's development against the early learning goals.

There are 17 Early Learning Goals (ELGs). A pupil is assigned one point for an emerging early learning goal, two points for an expected early learning goal and three points for an exceeding early learning goal. The national measure is the average of every pupil's total point score and a score of 34 points is the equivalent of children achieving the expected level of development across all early learning goals.

In 2015 70% (67) of children at St. Clement's achieved a good level of development with an average profile score for the school of 34.8 (National 33.8). A good level of development is judged to be when a pupil is working at expected levels in all strands of the 3 Prime areas (Communication and Language (CL), Personal Social and Emotional development (PSED) and Physical Development (PD) plus Literacy and Maths.

Early Learning Goals	All	National 2014
Good level of development	70%	60%
Communication and Language (3)	87%	77%
PSED (3)	93%	81%
Physical development (2)	93%	86%
Literacy (reading and writing)	75%	66%
Maths (number and shape, space and measure)	78%	72%

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

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**Year 1 Phonics Screening Test**

The Phonics Screening test was introduced in 2012 for the first time. We were very pleased with the improved results in the test in 2015. We continue to work hard at ensuring all children get access to high quality phonics teaching through letters and sounds so that they make good progress in their reading throughout Key Stage 1 and 2. We anticipate we will be above national outcomes in 2015.

	WHOLE CLASS (30)	PASS RATE BOYS (14)	PASS RATE GIRLS (16)	DISADVANTAGED (EVER 6) (21)
SCHOOL	81%	79%	88%	81%
NATIONAL 2014	74%	70%	78%	--
DIFF TO NATIONAL 2014	+7%	+9%	+10%	--

In 2015, the 6 children who failed to achieve the pass mark of 32 whilst in Year 1 (or who were not in year 1 when the test was taken), took the 2015 test. 5 pupils who took the test achieved the pass mark (83%) and one child was on extended leave.

**Key Stage 1**

At the end of Key Stage 1, 2015 outcomes in reading, writing and mathematics were above national at L2+, L2B+, L2A+ and L3 in 2014. All pupils achieved L2+ in reading, writing and mathematics which is an outstanding outcome.

Each level achieved is awarded points and an average is taken for groups in the school. The Average Points Score (APS) for All Subjects was significantly higher than national. Outcomes were well above national in mathematics at all levels.

At the end of Key Stage 1 the expected level that pupils should achieve is Level 2. The figures below give the proportions of pupils achieving each level. The figures in red are the national results for Key Stage 1 in 2014 (2015 not yet available). Pupils working at Level 1 or below are working below, or well below, age-related expectations. Pupils working at level 3 are working above age-related expectations.



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

**Academy vs National outcomes (National outcomes 2014 in red)**

Key Stage 1 27 pupils	Below Level 1	Level 1	Level 2c	Level 2b	Level 2a	Level 3
Reading	0% 2%	10% 9%	7% 10%	23% 24%	30% 26%	30% 29%
			Level 2+ 90% 89%			
Writing	0% 3%	17% 12%	3% 18%	30% 30%	17% 22%	33% 15%
			Level 2+ 83% 85%			
Mathematics	0% 2%	7% 7%	10% 13%	40% 27%	20% 28%	23% 23%
			L2+ 93% 91%			

We are extremely proud of the continued good standards of achievement in Key Stage 1. Whilst 2015 outcomes are slightly lower than 2014 because of a number of new arrivals late in the spring term, we are very proud of what the teachers and pupils have achieved; particularly as many children came into the Early Years Foundation Stage well below age related expectations and therefore needed to make progress in line with pupils in the top 25% of schools to achieve National Expectations by the end of Key Stage 1.

### Key Stage 2

At the end of Key Stage 2 the expected level that pupils should achieve is Level 4. The figures below give the proportions of pupils achieving each level. The figures in red are the national results for Key Stage 2 in 2014 (2015 not yet available). Pupils working at Level 3 or below are working below, or well below, age-related expectations. Pupils working at level 5 are working above age-related expectations and pupils achieving level 6 are working well above age-related expectations.

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

**Academy vs National outcomes (National outcomes 2014 in red)**

Key Stage 2 (23 pupils)	Below Level 3	Level 3	Level 4+	Level 5+	Level 6
Reading (test)	6% 5%	0% 6%	94% 89%	44% 49%	0% 0%
Writing (teacher assessment)	6% 4%	6% 11%	87% 85%	44% 33%	6% 2%
Spelling, punctuation and Grammar (test)	6% 6%	19% 18%	81% 76%	50% 52%	6% 4%
Mathematics (test)	6% 4%	13% 10%	81% 86%	31% 42%	19% 9%
Combined reading, writing and mathematics	At Level 4+ 75% 79%		At level 5+ 25% 24%		At level 6 0% 0%

For the fourth year running, Key Stage 2 outcomes have improved. Results remain in line with National for combined reading, writing and mathematics attainment. The outcomes in reading of 100% of pupils achieving the expected Level 4 or above and 61% achieving the higher Level 5, are outstanding. Three pupils achieved Level 6 in mathematics and two achieved level 6 in Grammar, Punctuation and Spelling.

In terms of progress from Key Stage 1 to Key Stage 2, all pupils but one (who joined us in Year 5) achieved 2 levels progress or more in reading, writing and mathematics. We are very pleased with the proportion of pupils who achieved more than 2 levels progress in reading and mathematics.

	Reading	Writing	Mathematics
Expected progress (2 levels from KS1)	100% 88%	95% 91%	100% 88%
>2 levels progress	53% 30%	22% 30%	47% 31%



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

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Pupil numbers

Year Group	Number on roll	Waiting list of
R	30	5
1	28	1 (waiting for place for sibling)
2	30	10
3	29	1 (waiting for place for sibling)
4	29	-
5	30	1
6	30	1

**GOING CONCERN**

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

**FINANCIAL REVIEW**

The main sources of income for the Academy are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the period ended 31 August 2015, total expenditure of £1,368,721 was covered by recurrent grant funding from the DfE together with other incoming resources. The surplus of income over expenditure for the year (excluding restricted fixed asset funds) was £128,649. These figures exclude the actuarial gain and loss on the Local Government Pension Scheme (see note 23 to the accounts).

At 31 August 2015 the net book value of fixed assets was £2,196,555 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and

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

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the associated support services to the pupils of the Academy.

**RESERVES POLICY**

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy is holding reserves at 31 August 2015 of £2,104,190.

This comprises:

Restricted Funds deficit of £145,640

Unrestricted Funds of £53,275

Restricted Fixed Asset Funds of £2,196,555

Restricted Funds comprises:

£98,360 of general restricted funds to support the academy's budget in 2015-16

£244,000 is the deficit on the defined benefit pension scheme.

The total free reserves of the Academy at 31 August 2015 is £151,635.

The Finance Committee has reviewed these reserves and believes they are adequate to provide sufficient working capital for the Academy to continue to operate within its financial resources, and to cover unexpected urgent work.

**INVESTMENT POLICY**

The Governing Body is responsible for setting any investment policy. During the year, day to day responsibility for managing this function was delegated to the Business Manager whose role was being fulfilled by the then Principal, Mrs Sue Simmons. Since the end of the financial year, this role is being fulfilled by the Acting Principal, Mr Desmond Ricketts. In the current economic climate of reducing income, with low interest rates, and in view of the capital projects undertaken by the Academy, funds have been held in the Academy current account.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the site and facilities, of teaching and the finances. The Governors have implemented a system to assess risks that the school faces, especially in the operational areas which includes teaching, health and safety and in relation to the control of finance. The Governors have introduced systems, including operational procedures and internal financial controls, in order to minimise risk.

The principal financial risk facing the Academy is that Funding is dependent upon pupil numbers. Pupil numbers are currently healthy, but Governors are aware that, in the long term, it may face falling rolls due to low local birth rate or be affected by the reputation of the school. Governors do not currently consider these to be a high risk.

The Academy's future funding is also dependent upon Government Policy for Education. The impact on St. Clement's C of E Academy, Nechells of any review of Schools' Funding, will be assessed accordingly.

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

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The Local Government Pension Scheme, a defined benefit scheme, is currently in deficit. The on-going contributions required, determined following a recent actuarial valuation, are considered to be manageable and within the academy's budget.

**FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Academy's financial objectives are to manage its affairs to support the achievement of the overall strategic objectives as set out in the Academy Improvement and Development Plans. This covers both short terms and long term planning, and involves managing revenues, costs, assets, liabilities, opportunities and risk to ensure the Academy remains in a good financial position to deliver its planned activities.

**PLANS FOR FUTURE PERIODS**

**FUTURE DEVELOPMENTS**

Governors recognise the impact of the learning environment on the levels of pupil achievement and continue to develop and improve the teaching, learning and whole school environment in a continually evolving education system. They actively seek to improve the school building and spaces available for all pupils and for 2015/16 the following work is :

- Remodelling Reception class and outside area;
- Refurbishing the school kitchen;
- Refurbishing the KS1 toilets;
- Maintaining ongoing repairs to the Academy's roofing;
- Maximising opportunities to develop areas for interventions for 1:1 and small group work.

Governors are committed to support and challenge the academy in order to maintain the high levels of achievement the pupils currently attain.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

There are no Funds held as Custodian Trustee on behalf of others.

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

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**DISCLOSURE OF INFORMATION TO AUDITOR**

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

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

**AUDITOR**

The auditor, Crowe Clark Whitehill LLP, has indicated its willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditor at a meeting of the Governors.

This report, incorporating the Strategic report, was approved by order of the Board of Governors, as the company directors, on 15 December 2015 and signed on the board's behalf by:



**Mr G Moss**  
**Chair of Governors**



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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Governors has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Clement's C of E Primary Academy, Nechells and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Board of Governors has formally met 3 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mr S Fairbanks, Governor	3	3
Miss D Gooden, Governor	3	3
Miss H Groom, Governor	1	3
Mrs V Harris, Governor	1	3
Ms S Khatun, Staff Governor	2	3
Mr J Line, Vice Chair	3	3
Mr G Moss, Chair of Governors	3	3
Mrs S Simmons, Principal	3	3

**Governance reviews:**

The trust intends to conduct its next self-evaluation and have an external review of governance in the next academic year. The Acting Principal is in the process of setting up meetings with representatives from DBET to make the necessary arrangements with a view to strengthening the governance of the school by performing a skills audit that will help to identify development points and may lead to the recruitment of additional Governors.

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**GOVERNANCE STATEMENT (continued)**

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The Finance and Audit Committee conducted a financial self-review using the toolkit produced by the EFA. The board was deemed effective in discharging its statutory, strategic and day-to-day functions.

The Finance and Audit committee is a sub committee of the main board of Governors. Its purpose is to:

- To operate as the audit committee as per EFA guidance
- To assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs S Simmons	3	3
Mr J Line	3	3
Mr G Moss	2	3
Miss H Groom	1	3

#### **REVIEW OF VALUE FOR MONEY**

As Accounting Officer the Principal has responsibility for ensuring that the Academy 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 Academy'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 has delivered improved value for money during the year by:

- **Raising student attainment**

Outcomes for children at the end of key stage 1 and 2 continue to be maintained. Children continue to achieve in-line with, or better than, national attainment. Children start St Clement's well below national age related expectations and leave St Clement's with standards that are at least in-line with national expectations. This is partially due to the high level of resources, in the form of high quality additional teachers that are in school which runs, in most classes, a 'two teacher' model. The school spends a high percentage of its budget on staffing. Children make outstanding progress from entering nursery to the end of key stage 1 - again this area of the school has a high staffing ratio. Children on free school meals make up just over one-third of pupils in the Academy and those pupils achieve at least as well as children not on free school meals nationally. The gap between free school meals and non-free school meals is less than national. Details of how pupil premium is spent can be found on St Clement's website.

- **Robust Governance and oversight of Academy's finance**

Initially SFS, then drb Management Ltd, have acted as the Internal Auditor to undertake termly reviews of key financial policies and procedures. Reports are produced which detail the Academy's compliance and demonstrate that the Academy has sound internal spending controls. These reports are presented to the Finance and Audit Committee on a termly basis. The Academy also adopts the Academies Financial Handbook annually and complies with all updates and changes to policy and practice.

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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT (continued)**

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The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy remains a "going concern". The Governing Body also receives and approves the Statutory Accounts and the External Auditor's Management Report.

- **Ensuring Value for Money is achieved and resources are used efficiently and effectively**

Contracts are regularly reviewed to ensure they conform to with the Financial Regulations and limits agreed by the Governing Body. The latest example of this saw the catering contracted to Aspens which has improved the quality of the food within the allocated resources in an effort to maximise value for money and quality of provision for the pupils. This has aided the continued smooth introduction of free school dinners for KS1. Comparable quotes are obtained for expenditure over £10,000 but below the tender limit.

- **Reviewing controls and managing risks**

Budget reports were monitored on a regular basis by the Business Manager and the Principal, a responsibility solely fulfilled by the then Principal after the Business Manager left the employment of the Academy. Any remedial action is taken to address any significant variances that may have an impact on budget outturn. Significant variances are reported termly to the Finance Committee.

Following the annual audit of our financial accounts in October 2014 and the Business Manager's departure from the school one term into academic year 2014/5 a full review of the business and financial management structure of the Academy was undertaken in response to recommendations by the audit team.

- **Reviewing operation to maximise the use of resources**

The Senior Leadership Team review expenditure within each budget heading annually and make adjustments based on effectiveness of strategies introduced in previous years, curriculum development and the School Development Plan.

## **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 St Clement's C of E Primary Academy, Nechells for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

## **CAPACITY TO HANDLE RISK**

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.



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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided to appoint DRB Financial Management Services as internal auditor.

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

- review of budgeting and cashflow forecasting
- testing of purchase systems
- testing of control accounts/ bank reconciliation's

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


**REVIEW OF EFFECTIVENESS**

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

- the work of the 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 15 December 2015 and signed on its behalf,  
by:

  
**Mr G Moss**  
Chair of Governors

  
**Mr D Ricketts**  
Accounting Officer



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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Mr D Ricketts**  
**Accounting Officer**

Date: 15 December 2015

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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
**(A company limited by guarantee)**

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**GOVERNORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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The Governors (who act as governors of St Clement's C of E Primary Academy, Nechells and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

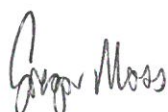
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Governors on 15 December 2015 and signed on its behalf by:



**Mr G Moss**  
**Chair of Governors**

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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**

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We have audited the financial statements of St Clement's C of E Primary Academy, Nechells for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR**

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report, incorporating the Strategic Report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Governors' report, 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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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST CLEMENT'S C OF E PRIMARY  
ACADEMY, NECHELLS**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

  
Helen Drew (Senior statutory auditor)

for and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG  
15 December 2015



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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 23 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Clement's C of E Primary Academy, Nechells during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Clement's C of E Primary Academy, Nechells and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Clement's C of E Primary Academy, Nechells 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 St Clement's C of E Primary Academy, Nechells and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of St Clement's C of E Primary Academy, Nechells's funding agreement with the Secretary of State for Education dated 1 October 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 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy and specific transactions identified from our review.

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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST  
CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS AND THE EDUCATION FUNDING AGENCY**  
**(continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
**Crowe Clark Whitehill LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

15 December 2015

**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(including Income and Expenditure Account)  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	1,011	29,761	-	30,772	47,383
Activities for generating funds	3	535	-	-	535	875
Investment income	4	150	-	-	150	172
Incoming resources from charitable activities	5	25,498	1,393,195	6,230	1,424,923	1,299,440
<b>TOTAL INCOMING RESOURCES</b>		<b>27,194</b>	<b>1,422,956</b>	<b>6,230</b>	<b>1,456,380</b>	<b>1,347,870</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities		26,236	1,283,383	47,220	1,356,839	1,371,143
Governance costs	9	-	11,882	-	11,882	5,850
<b>TOTAL RESOURCES EXPENDED</b>	6	<b>26,236</b>	<b>1,295,265</b>	<b>47,220</b>	<b>1,368,721</b>	<b>1,376,993</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>						
		958	127,691	(40,990)	87,659	(29,123)
Transfers between Funds	18	-	(11,640)	11,640	-	-
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS</b>		<b>958</b>	<b>116,051</b>	<b>(29,350)</b>	<b>87,659</b>	<b>(29,123)</b>
Actuarial gains and losses on defined benefit pension schemes		-	(37,000)	-	(37,000)	(6,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>958</b>	<b>79,051</b>	<b>(29,350)</b>	<b>50,659</b>	<b>(35,123)</b>
<i>Total funds at 1 September 2014</i>		<i>52,317</i>	<i>(224,691)</i>	<i>2,225,905</i>	<i>2,053,531</i>	<i>2,088,654</i>
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>53,275</b>	<b>(145,640)</b>	<b>2,196,555</b>	<b>2,104,190</b>	<b>2,053,531</b>

All activities relate to continuing operations.

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

The notes on pages 28 to 47 form part of these financial statements.

**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08165736**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015	£	£	2014	£
<b>FIXED ASSETS</b>							
Tangible assets	14			2,196,555			2,225,905
<b>CURRENT ASSETS</b>							
Debtors	15	53,581			114,720		
Cash at bank		157,529			119,730		
			211,110			234,450	
<b>CREDITORS:</b> amounts falling due within one year	16	(52,475)			(201,824)		
<b>NET CURRENT ASSETS</b>				158,635			32,626
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				2,355,190			2,258,531
<b>CREDITORS:</b> amounts falling due after more than one year	17			(7,000)			(9,000)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>				2,348,190			2,249,531
Defined benefit pension scheme liability	23	(244,000)					(196,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>				2,104,190			2,053,531
<b>FUNDS OF THE ACADEMY</b>							
Restricted funds:							
Restricted funds	18	98,360			(28,691)		
Restricted fixed asset funds	18	2,196,555			2,225,905		
Restricted funds excluding pension liability		2,294,915			2,197,214		
Pension reserve		(244,000)			(196,000)		
Total restricted funds				2,050,915			2,001,214
Unrestricted funds	18			53,275			52,317
<b>TOTAL FUNDS</b>				2,104,190			2,053,531

The financial statements were approved by the Governors, and authorised for issue, on 15 December 2015 and are signed on their behalf, by:

**Mr G Moss**  
**Chair of Trustees**

*Gregor Moss*

The notes on pages 28 to 47 form part of these financial statements.



**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
(A company limited by guarantee)

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	20	49,289	121,899
Returns on investments and servicing of finance	21	150	172
Capital expenditure and financial investment	21	(11,640)	(114,545)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>37,799</b>	<b>7,526</b>
Financing	21	-	10,000
<b>INCREASE IN CASH IN THE YEAR</b>		<b>37,799</b>	<b>17,526</b>

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

	2015 £	2014 £
Increase in cash in the year	37,799	17,526
Cash outflow from decrease in debt and lease financing	-	(10,000)
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>37,799</b>	<b>7,526</b>
Net funds at 1 September 2014	109,730	102,204
<b>NET FUNDS AT 31 AUGUST 2015</b>	<b>147,529</b>	<b>109,730</b>

The notes on pages 28 to 47 form part of these financial statements.

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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention. 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.

**1.2 COMPANY STATUS**

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

**1.3 GOING CONCERN**

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

**1.4 FUND ACCOUNTING**

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

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

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

Investment income is allocated to the appropriate fund.

**1.5 INCOMING RESOURCES**

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

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

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

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

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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

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.

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

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

**1.6 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.

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 Governors' meetings and reimbursed expenses.

**1.7 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.

A review for impairment 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.



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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. ACCOUNTING POLICIES (continued)**

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

L/Term Leasehold Property	-	50 years
Plant & machinery	-	4 years
Computer equipment	-	4 years

The freehold land is owned by The Diocesan Board of Education. The Trustees of The Diocesan Board of Education have granted the Academy, via a supplemental agreement, the right to use the land for educational purposes indefinitely. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

**1.8 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.

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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 adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**2. VOLUNTARY INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Insurance reclaims	-	29,761	29,761	24,642
Other voluntary income	-	-	-	5,018
Secondment income	1,011	-	1,011	9,753
Academy sponsor income	-	-	-	7,470
Donations	-	-	-	500
	<u>1,011</u>	<u>29,761</u>	<u>30,772</u>	<u>47,383</u>

**3. GENERATING FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Letting's income	-	-	-	875
Sundry income	535	-	535	-
	<u>535</u>	<u>-</u>	<u>535</u>	<u>875</u>

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**4. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Short term deposits	150	-	150	172

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	1,076,650	1,076,650	1,051,936
Capital Grants	-	6,230	6,230	43,574
Other DfE/EFA grants	-	208,132	208,132	151,888
	-	1,291,012	1,291,012	1,247,398
<b>Other government grants</b>				
Local Authority grants	-	108,413	108,413	34,515
	-	108,413	108,413	34,515
<b>Other funding</b>				
School fund	10,904	-	10,904	17,527
Catering	14,594	-	14,594	-
	25,498	-	25,498	17,527
	25,498	1,399,425	1,424,923	1,299,440

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**6. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Depreciation	Other costs	2015	2014
	£	£	£	£	£
Direct costs - Restricted	722,102	47,220	82,096	851,418	828,824
Direct costs - Unrestricted	-	-	11,642	11,642	15,512
Support costs - Restricted	251,065	-	228,120	479,185	526,807
Support costs - Unrestricted	-	-	14,594	14,594	-
<b>CHARITABLE ACTIVITIES</b>	<b>973,167</b>	<b>47,220</b>	<b>336,452</b>	<b>1,356,839</b>	<b>1,371,143</b>
<b>GOVERNANCE</b>	<b>-</b>	<b>-</b>	<b>11,882</b>	<b>11,882</b>	<b>5,850</b>
	<b>973,167</b>	<b>47,220</b>	<b>348,334</b>	<b>1,368,721</b>	<b>1,376,993</b>

**7. DIRECT COSTS**

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2015	2014
	£	£	£	£
Teaching and educational supplies	-	70,506	70,506	49,044
Technology costs	-	4,857	4,857	15,714
Staff Development	-	-	-	1,130
Other direct costs	11,642	6,733	18,375	29,859
Wages and salaries	-	604,469	604,469	574,553
National insurance	-	42,710	42,710	41,091
Pension cost	-	74,923	74,923	86,078
Depreciation	-	47,220	47,220	46,867
	<b>11,642</b>	<b>851,418</b>	<b>863,060</b>	<b>844,336</b>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. SUPPORT COSTS**

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Technology costs	-	23,304	23,304	15,339
Staff Development	-	9,852	9,852	11,216
Recruitment and support	-	1,302	1,302	-
Maintenance of premises and equipment	-	33,354	33,354	102,706
Cleaning	-	3,329	3,329	2,403
Rent and rates	-	2,197	2,197	2,235
Energy costs	-	14,603	14,603	16,226
Insurance	-	23,090	23,090	20,623
Security and transport	-	5,481	5,481	655
Catering	14,594	44,389	58,983	74,552
Bank interest and charges	-	424	424	89
Other support costs	-	66,795	66,795	83,838
Wages and salaries	-	222,058	222,058	179,212
National insurance	-	2,818	2,818	5,749
Pension cost	-	26,189	26,189	11,964
	<u>14,594</u>	<u>479,185</u>	<u>493,779</u>	<u>526,807</u>

**9. GOVERNANCE COSTS**

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Audit of financial statements	3,000	3,000	3,000
Other non audit costs	1,900	1,900	1,400
Clerk costs	3,200	3,200	-
Governors' expenses	282	282	-
Additional audit costs relating to prior year	3,500	3,500	1,450
	<u>11,882</u>	<u>11,882</u>	<u>5,850</u>



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**10. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	47,220	46,867
Auditor's remuneration	3,000	3,000
Auditor's remuneration - non-audit	1,900	1,400
Governance Internal audit costs	-	-
Operating lease rentals	6,226	3,113
	<u>6,226</u>	<u>3,113</u>

**11. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	786,268	697,778
Social security costs	45,528	46,840
Other pension costs (Note 23)	101,112	98,042
	<u>932,908</u>	<u>842,660</u>
Supply teacher costs	29,889	51,487
Compensation payments	10,370	4,500
	<u>973,167</u>	<u>898,647</u>

**b. Staff severance payments**

Included in staff costs are non-statutory/non-contractual severance payments totalling £10,370 (2014: £4,500). Individually, the payments were: £8,370 and £2,000.

**c. Staff numbers**

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

	2015 No.	2014 No.
Teachers	14	10
Administration and support	8	12
Management	3	4
	<u>25</u>	<u>26</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. STAFF (continued)**

**d. Higher paid staff**

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

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

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 employer's pension contributions for this staff member amounted to £9,256 (2014: £8,518).

**12. GOVERNORS' REMUNERATION AND EXPENSES**

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

	<b>2015 £</b>	<b>2014 £</b>
Mrs S Simmons - Remuneration	<b>65,000-70,000</b>	<i>60,000-65,000</i>
- Employer's pension contributions	<b>5,000-10,000</b>	<i>5,000-10,000</i>
Mrs V Harris - Remuneration	<b>30,000-35,000</b>	<i>30,000-35,000</i>
- Employer's pension contributions	<b>0-5,000</b>	<i>0-5,000</i>
Mr T Creswell - Remuneration	<b>-</b>	<i>10,000-15,000</i>
- Employer's pension contributions	<b>-</b>	<i>0-5,000</i>
Miss H Groom - Remuneration	<b>30,000-35,000</b>	<i>-</i>
- Employer's pension contributions	<b>0-5,000</b>	<i>-</i>
Ms S Khatun - Remuneration	<b>10,000-15,000</b>	<i>-</i>
- Employer's pension contributions	<b>0-5,000</b>	<i>-</i>

During the year, travel and subsistence expenses totalling £282 (2014 - £NIL) were reimbursed to 1 trustee.

**13. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £780 (2014 - £475). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £	Plant & machinery £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2014	2,238,606	24,551	45,028	2,308,185
Additions	17,870	-	-	17,870
At 31 August 2015	<u>2,256,476</u>	<u>24,551</u>	<u>45,028</u>	<u>2,326,055</u>
<b>DEPRECIATION</b>				
At 1 September 2014	57,450	8,638	16,192	82,280
Charge for the year	29,829	6,140	11,251	47,220
At 31 August 2015	<u>87,279</u>	<u>14,778</u>	<u>27,443</u>	<u>129,500</u>
<b>NET BOOK VALUE</b>				
At 31 August 2015	<u>2,169,197</u>	<u>9,773</u>	<u>17,585</u>	<u>2,196,555</u>
At 31 August 2014	<u>2,181,156</u>	<u>15,913</u>	<u>28,836</u>	<u>2,225,905</u>

Included in land and buildings is leasehold land at valuation of £765,000 (2014 - £765,000) which is not depreciated.

**15. DEBTORS**

	2015 £	2014 £
Trade debtors	-	1,283
Other debtors	13,952	28,885
Prepayments and accrued income	39,629	84,552
	<u>53,581</u>	<u>114,720</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Other loans	3,000	1,000
Trade creditors	2,888	21,405
Other taxation and social security	15,329	11,423
Accruals and deferred income	31,258	167,996
	<u>52,475</u>	<u>201,824</u>

**DEFERRED INCOME**

Deferred income at 1 September 2014	38,577
Resources deferred during the year	9,942
Amounts released from previous years	<u>(38,577)</u>
Deferred income at 31 August 2015	<u>9,942</u>

The above deferred income consists of £9,942 for infant free school meals.

**17. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015 £	2014 £
Other loans	<u>7,000</u>	<u>9,000</u>

In the financial year ending 31st August 2014, St Clement's received a Salex loan of £10,000 from the EFA for replacement boilers. The loan is at 0% interest and will be repaid over a 5 year period in £1,000 installments every 6 months from 1 March 2015. The first installment was not taken, therefore £3,000 is being shown as due within 1 year with £7,000 being shown due after 1 year.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
Unrestricted funds	52,317	27,194	(26,236)	-	-	53,275
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	(28,691)	1,076,650	(968,319)	(11,640)	-	68,000
Other EFA grants	-	208,132	(177,772)	-	-	30,360
Other restricted funds	-	138,174	(138,174)	-	-	-
Pension reserve	(196,000)	-	(11,000)	-	(37,000)	(244,000)
	<u>(224,691)</u>	<u>1,422,956</u>	<u>(1,295,265)</u>	<u>(11,640)</u>	<u>(37,000)</u>	<u>(145,640)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Restricted fixed assets	2,225,905	-	(47,220)	17,870	-	2,196,555
DfE/EFA capital grants	-	6,230	-	(6,230)	-	-
	<u>2,225,905</u>	<u>6,230</u>	<u>(47,220)</u>	<u>11,640</u>	<u>-</u>	<u>2,196,555</u>
Total restricted funds	<u>2,001,214</u>	<u>1,429,186</u>	<u>(1,342,485)</u>	<u>-</u>	<u>(37,000)</u>	<u>2,050,915</u>
Total of funds	<u><u>2,053,531</u></u>	<u><u>1,456,380</u></u>	<u><u>(1,368,721)</u></u>	<u><u>-</u></u>	<u><u>(37,000)</u></u>	<u><u>2,104,190</u></u>

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

- 1) General Annual Grant: this must be used for the normal running costs of the Academy Trust
- 2) Other DfE/EFA Grant: this fund relates to other grants received which must be used for the purpose intended.
- 3) Other Restricted Funds: this fund relates to all other restricted funds received which must be used for the purpose intended.
- 4) Restricted fixed asset fund: this fund relates to resources which must be applied for specific capital purposes intended.

Transfer between the Restricted funds and Restricted Fixed Asset funds relates to the amounts expended on fixed assets from other funds.

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**SUMMARY OF FUNDS**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
General funds	52,317	27,194	(26,236)	-	-	53,275
Restricted funds	(224,691)	1,422,956	(1,295,265)	(11,640)	(37,000)	(145,640)
Restricted fixed asset funds	2,225,905	6,230	(47,220)	11,640	-	2,196,555
	<u>2,053,531</u>	<u>1,456,380</u>	<u>(1,368,721)</u>	<u>-</u>	<u>(37,000)</u>	<u>2,104,190</u>

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Restricted fixed asset funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Tangible fixed assets	-	-	2,196,555	2,196,555	2,225,905
Current assets	53,275	157,835	-	211,110	234,450
Creditors due within one year	-	(52,475)	-	(52,475)	(201,824)
Creditors due in more than one year	-	(7,000)	-	(7,000)	(9,000)
Provisions for liabilities and charges	-	(244,000)	-	(244,000)	(196,000)
	<u>53,275</u>	<u>(145,640)</u>	<u>2,196,555</u>	<u>2,104,190</u>	<u>2,053,531</u>

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2015 £</b>	<b>2014 £</b>
Net incoming resources before revaluations	87,659	(29,123)
Returns on investments and servicing of finance	(150)	(172)
Capital Grant from DfE	(6,230)	-
Depreciation of tangible fixed assets	47,220	46,867
Decrease/(increase) in debtors	61,139	(77,754)
(Decrease)/increase in creditors	(151,349)	162,081
FRS 17 pension cost less contributions payable	7,000	13,000
FRS 17 pension finance income	4,000	7,000
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u>49,289</u>	<u>121,899</u>

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**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £	2014 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	150	172
	2015 £	2014 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(17,870)	(114,545)
Capital grants from DfE	6,230	-
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	(11,640)	(114,545)
	2015 £	2014 £
<b>FINANCING</b>		
Salix loan	-	10,000

**22. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	119,730	37,799	-	157,529
<b>DEBT:</b>				
Debts due within one year	(1,000)	-	(2,000)	(3,000)
Debts falling due after more than one year	(9,000)	-	2,000	(7,000)
<b>NET FUNDS</b>	109,730	37,799	-	147,529



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension fund. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an



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**23. PENSION COMMITMENTS (continued)**

employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £92,688 (2014: £80,523).

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

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

**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 £51,251, of which employer's contributions totalled £31,531 and employees' contributions totalled £19,720. The agreed contribution rates for future years are 10.5% 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:

	<b>Expected return at 31 August 2015 %</b>	<b>Fair value at 31 August 2015 £</b>	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £</b>
Equities	6.50	174,000	7.00	109,000
Government bonds	2.50	22,000	2.90	19,000
Other bonds	3.60	29,000	3.80	25,000
Property	6.10	25,000	6.20	21,000
Cash/Liquidity	0.50	15,000	0.50	11,000
Other	6.50	27,000	7.00	58,000
Total market value of assets		<b>292,000</b>		<b>243,000</b>
Present value of scheme liabilities		<b>(536,000)</b>		<b>(439,000)</b>
(Deficit)/surplus in the scheme		<b>(244,000)</b>		<b>(196,000)</b>

**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
(A company limited by guarantee)

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

**23. PENSION COMMITMENTS (continued)**

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(536,000)	(439,000)
Fair value of scheme assets	292,000	243,000
	<u>(244,000)</u>	<u>(196,000)</u>
Net liability	<u>(244,000)</u>	<u>(196,000)</u>

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

	2015 £	2014 £
Current service cost	34,000	39,000
Interest cost	19,000	20,000
Expected return on scheme assets	(15,000)	(13,000)
	<u>38,000</u>	<u>46,000</u>
Total	<u>38,000</u>	<u>46,000</u>
Actual return on scheme assets	<u>11,000</u>	<u>23,000</u>

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

	2015 £	2014 £
Opening defined benefit obligation	439,000	371,000
Contributions by scheme participants	11,000	14,000
Current service cost	34,000	39,000
Interest cost	19,000	20,000
Actuarial (gain)/loss	33,000	(5,000)
	<u>536,000</u>	<u>439,000</u>
Closing defined benefit obligation	<u>536,000</u>	<u>439,000</u>

**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. PENSION COMMITMENTS (continued)**

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

	2015 £	2014 £
Opening fair value of scheme assets	243,000	201,000
Contributions by employer	27,000	26,000
Contributions by employees	11,000	14,000
Expected return on assets	15,000	13,000
Actuarial gains and (losses)	(4,000)	(11,000)
	292,000	243,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £65,000 (2014 - £28,000).

The academy expects to contribute £25,000 to its Defined benefit pension scheme in 2016.

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

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

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	5.97 %	5.88 %
Rate of increase in salaries	4.15 %	3.95 %
Rate of increase for pensions in payment / inflation	2.40 %	2.20 %
Inflation assumption (CPI)	2.40 %	2.20 %

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

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

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

**23. PENSION COMMITMENTS (continued)**

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(536,000)	(439,000)	(371,000)
Scheme assets	292,000	243,000	201,000
Deficit	<u>(244,000)</u>	<u>(196,000)</u>	<u>(170,000)</u>

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.

**24. OPERATING LEASE COMMITMENTS**

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

	<b>Land and buildings</b>		<b>Other</b>	
	2015 £	2014 £	2015 £	2014 £
<b>EXPIRY DATE:</b>				
Between 2 and 5 years	-	-	6,226	6,226

**25. MEMBERS' LIABILITY**

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



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**ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. 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 governors 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 Diocesan Board of Education which acts as the sponsor were paid a levy of £18,000 (2014: £12,000) by the Academy during the period. The Academy received £Nil (2014: £7,470) reimbursements of costs during the year.

The freehold land is held by the Birmingham Diocesan Trustees registered as custodians for the beneficial user of the land - St Clement's C of E Primary Academy, Nechells. The Birmingham Diocesan Trustees have granted the Academy, via a supplemental agreement, the right to use the land for educational purposes indefinitely. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

Mr Simmons, the husband of Sue Simmons (Principal up to 31 August 2015) is the owner of ANS Electrical Contractors Limited. ANS Electrical Contractors Limited carried out electrical works for St Clement's C of E Primary Academy, Nechells totalling £871 (2014: £5,683) during the year. This work was approved by the board and provided to the academy at cost. No balance was due to this company at the Balance Sheet date.

The Vice Chair, John Line is a director of Academy Company Secretary Limited. Secretarial services were provided to St Clement's C of E Primary Academy, Nechells during 2015 and 2014 at no cost.

**27. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The St Clement's C of E Primary Academy, Nechells is an autonomous body, financed mainly by public funding and files separate entity accounts.

The Academy's sponsor, The Diocesan Board of Educational Trust, has the power to appoint Governors to the board of the Academy. St Clement's C of E Primary Academy, Nechells, along with all other academies in The Diocese of Birmingham Educational Trust, will therefore be consolidated at trust level.

