

Company Registration No. 07838151 (England and Wales)

MALCOLM SARGENT PRIMARY SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2015

# MALCOLM SARGENT PRIMARY SCHOOL

## CONTENTS

---

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 8
Governance statement	9 - 12
Statement on regularity, propriety and compliance	13
Statement of governors' responsibilities	14
Independent auditor's report on the accounts	15 - 16
Independent reporting accountant's report on regularity	17 - 18
Consolidated statement of financial activities	19
Consolidated balance sheet	20
Academy balance sheet	21
Cash flow statement	22
Notes to the accounts	23 - 42

---

# MALCOLM SARGENT PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Governors

K E Swanson  
T M Harris  
A E Buck (Resigned 31 August 2015)  
T Cox  
S Uszkurat  
L J Merifield  
M Brewin  
M Sudera (Resigned 31 August 2015)  
R A Butler  
T J Revell  
S J Stanier  
N Saunderson  
S Dolby (Resigned 31 May 2015)  
A M Lewis (Appointed 15 September 2015)  
G Vickers (Appointed 15 September 2015)  
N Armstrong (Appointed 15 October 2015)  
S Gaunt (Appointed 15 October 2015)

### Members

K E Swanson  
T M Harris  
T J Revell

### Senior leadership team

- Principal	T J Revell
- Vice Principal	T Cox
- Assistant Principal	Mrs T Cox
- Finance Manager	S Saunderson

### Accounting officer

T J Revell

### Company registration number

07838151 (England and Wales)

### Independent auditor

Rawlinsons Chartered Accountants  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

### Bankers

Lloyds Bank plc  
65 High Street  
Stamford  
Lincolnshire  
PE9 2AT

# MALCOLM SARGENT PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Solicitors

Chattertons Solicitors  
30 Avenue Road  
Grantham  
Lincolnshire  
NG31 6TH

# MALCOLM SARGENT PRIMARY SCHOOL

## GOVERNORS' REPORT

***FOR THE YEAR ENDED 31 AUGUST 2015***

---

The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area of west Stamford. It has a capacity of 630 and had a roll of 591 in the school census on 1st October 2015.

### **Structure, governance and management**

#### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors are the trustees of Malcolm Sargent Primary School and are also the directors of the charitable company for the purposes of company law. 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 undertake 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.

#### Method of recruitment and appointment or election of governors

Staff governors are appointed by nomination and vote from all staff at the school. Parent governors are elected by parents of registered pupils at the academy, by secret ballot. A parent governor must be a parent of a pupil at the academy at the time when they are elected. Trustee governors are nominated and appointed by the governors by via a recruitment and selection process and then a formal vote at a full governing body meeting.

None of the Governors has any beneficial interest in the company.

#### Policies and procedures adopted for the induction and training of governors

Governors receive in house induction training from the Chair of Governors and the Clerk to Governors, they also receive a bespoke training manual, written for the academy. New and established governors can attend a variety of training provided by Peterborough City Council specifically for governors.

# MALCOLM SARGENT PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

---

### Organisational structure

The Full Governing Body meets 5 times per year. The Finance and Stewardship Committee meets 5 times a year, the Staffing committee meets 3 times a year and Curriculum committee meets 4 times a year. All committees provide a report of discussions at the next Full Governing Body meeting. The governing body delegate duties to the committees, including the approval of policies and procedures specific to that committee. The governing body use a delegated decision planner to delegate tasks of daily management to the Principal and senior management team. The task of accounting officer has been delegated to the Principal.

The governors' are responsible for identifying risks faced by the charitable company, establishing procedures to mitigate these risks, and ensuring that employees are aware of these procedures and of the implications of failing to implement them. They are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

The governors' acknowledge they have overall responsibility for ensuring that the academy trust has an effective and appropriate system of controls, financial and otherwise. The governors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the academy trust and enable them to ensure the financial statements comply with the Companies Act. The governors' also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The academy trust is operating efficiently and effectively
- its assets are safeguarded against unauthorised use or disposition
- proper records are maintained and financial information used within the academy trust or for its publication is reliable and
- the academy trust complies with relevant laws and regulations.

The governors' continually monitor and review systems and procedures to ensure that major risks are identified and managed. Within the current period, which spans from 1st September 2014 to 31st August 2015, the academy worked in line with policies, procedures and protocols having evaluated risk and management structure during the previous financial year. This included a risk management review to ensure high level risks have adequate controls in place. Key controls to manage risk include:

- Agendas for all committee meetings
- Committee charters for all committees
- Strategic planning, budgeting and management reporting
- Formal organisational structure for staffing
- Written policies and procedures, which follow a full review cycle
- Authorisation and approval levels
- Appointment of Audit committee
- DBS Checks and Single Central Record
- Management Planning and Risk Management Strategy
- Risk registers

### Related parties and other connected charities and organisations

The related party transactions that occurred within the financial year were between Malcolm Sargent Primary School and Acorn Childcare Centre, its subsidiary company. Other related parties to note are Finance Manager Mrs S Saunderson is married to Mr N Saunderson a serving governor and Mr T Cox Vice Principal and Associate Member is married to Mrs T Cox Assistant Principal.

# MALCOLM SARGENT PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2015*

---

### **Objectives and activities**

#### Objects and aims

The objective of the charitable company in the period under review was to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. To promote for the benefit of the inhabitants of Stamford and the surrounding area the provision of facilities for recreation or leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's objectives and aims and in planning future activities for the year.

#### Objectives, strategies and activities

##### Public benefit

The governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

### **Strategic report**

#### Achievements and performance

The academy's vision has changed in the financial year to "Love to Learn – the Malcolm Sargent Way". The main objective of the academy has been to ensure that the curriculum is broad and exciting which will challenge all of our children to achieve their full potential, through consistent high quality teaching. The Finance and Stewardship committee has set out to approve and monitor the academy's budget share to achieve value for money and to monitor and evaluate the implementation of the school development plan.

During this year the school development plan has had three core priorities which have been firstly to revise the school vision statement and embed this at the centre of everything that is done throughout the school. Secondly, to develop the curriculum through the vision "Love to Learn", whilst embedding the expectations of the new National Curriculum. Finally, to ensure Best Practice for the quality of teaching and learning the "Love to Learn" way, through further professional development that encourages sharing of best practice.

The school council continue to organise fund raising events across the year for charity, through a readathon and baking event. They have also raised funds to purchase playground equipment and football goals. This year they plan to raise funds to buy more books for the school library.

# MALCOLM SARGENT PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### Key performance indicators

Academic Year Data	Malcolm Sargent Achievement	National Achievement
Foundation Stage: % Reaching a "Good Level of Development" (% Scoring 2+ in Areas of Learning 1 – 5)	70.8%	66.3%
Key Stage 1: Phonics Check Y1 % Working at/or above statutory screening check	83.0%	76.8%
Key Stage 1: Phonics Check Y2 % Working at/or above statutory screening check	95.6%	90.2%
Key Stage 1: % of pupils at/or above:		
SATS Y2 Reading L2+	93.3%	90.5%
SATS Y2 Reading L2B+	83.3%	82.1%
SATS Y2 Reading L3+	37.8%	31.9%
SATS Y2 Writing L2+	92.2%	87.5%
SATS Y2 Writing L2B+	81.1%	72.1%
SATS Y2 Writing L3+	20.0%	17.5%
SATS Y2 Mathematics L2+	95.6%	92.8%
SATS Y2 Mathematics L2B+	83.3%	81.6%
SATS Y2 Mathematics L3+	33.3%	26.0%
Key Stage 2:		
SATS Y6 English Punctuation, Spelling and Grammar L4+	91.9%	80.0%
SATS Y6 English Punctuation, Spelling and Grammar L5+	69.4%	55.5%
SATS Y6 Reading L4+	93.5%	89.0%
SATS Y6 Reading L4B+	91.9%	80.3%
SATS Y6 Reading L5+	71.0%	48.1%
SATS Y6 Writing L4+	91.9%	86.5%
SATS Y6 Writing L5+	51.6%	35.7%
SATS Y6 Mathematics L4+	93.5%	86.9%
SATS Y6 Mathematics L4B+	88.7%	76.9%
SATS Y6 Mathematics L5+	50.0%	41.4%
SATS Y6 Mathematics L6+	14.5%	8.7%

### Going concern

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

During this financial year Malcolm Sargent's trading arm Acorn Childcare Centre Limited has continued to trade. This organisation operates under Directors appointed by the governors of the academy trust. Acorn Childcare Centre started trading from the 5th of September 2013, operating 51 weeks of the year. It provides a nursery setting for 12 babies, 12 toddlers and 24 pre-school children and operates the Breakfast, Afterschool and Holiday Club. The Acorn Childcare Centre operates under a separate Ofsted registration. The finances from this operation are consolidated within these accounts.



# MALCOLM SARGENT PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2015*

---

### **Financial review**

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments including future capital projects and the nature of reserves.

### Reserves policy

The governors have reviewed the resources of the academy trust and recognise the need to build up sufficient reserves in future years to be able to protect against future funding decreases and for future refurbishment works required at the school to be able to adequately cater for pupils.

The governors have assessed the level of available free reserves and are confident that there are sufficient levels to meet current operational needs. The governors will keep the level of reserves under review.

The Academy is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

### Investment policy and powers

This is the fourth trading year of the academy and therefore it has not accumulated significant reserves, finances from the EFA are utilized in year for the benefit of the children attending the academy and therefore there is no investment policy in place. The academy can hold cash balances and thereby technically can make investment decisions if they are appropriate. In the current economic climate the banks are unable to offer a significant return on the current cash balances.

### Principal risks and uncertainties

Risks have been assessed by the governors and they confirm that there are no major risks at present. The Business Continuity and Risk Management Policy has just been reviewed and approved by the governing body. Principle risks faced by the academy include closure from fire or disaster, cuts in funding from the EFA impacting on the whole school, which could seriously affect the viability or reputation of the academy. Systems and procedures are in place to minimize the risk. Internal controls are in place to reduce internal risks to the continuation of business, these are monitored and reviewed on a regular basis.

### **Plans for future periods**

Governors have already prepared the objectives for the school development plan (SDP) for the current financial year. This will be reviewed at the full governing body meetings. Governors plan to continue embedding the vision "Love to Learn", whilst monitoring and developing further Best Practice and the new Curriculum. A new priority which has been added to the SDP this year is Resource management this includes reviewing and improving the school's strategies for both maximizing staffing and physical resources.

# MALCOLM SARGENT PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

---

### Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Rawlinsons Chartered Accountants be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 05/12/15 and signed on its behalf by:

  
.....

K E Swanson

# MALCOLM SARGENT PRIMARY SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2015**

---

### Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that Malcolm Sargent Primary School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of 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 Malcolm Sargent Primary School 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 Statement of Governors' Responsibilities. The board of governors has formally met 5 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
K E Swanson	5	5
T M Harris	4	5
A E Buck (Resigned 31 August 2015)	4	5
T Cox	4	5
S Uszkurat	5	5
L J Merifield	4	5
M Brewin	4	5
M Sudera (Resigned 31 August 2015)	4	5
R A Butler	5	5
T J Revell	5	5
S J Stanier	5	5
N Saunderson	4	5
S Dolby (Resigned 31 May 2015)	2	4
A M Lewis (Appointed 15 September 2015)	0	0
G Vickers (Appointed 15 September 2015)	0	0
N Armstrong (Appointed 15 October 2015)	0	0
S Gaunt (Appointed 15 October 2015)	0	0

There have been three resignations to the governing body during the year end 31st August 2015. The governing body has a succession planning model to enable them to effectively plan and make appointments to ensure that the governing body remains at maximum capacity.

During the year governors assessed if the committee structure was working adequately for the business need. Governors reviewed the structure of the committees and decided that they should continue with three sub committees to the governing body; however the governors decided that they would meet slightly later so that attendance at the start of the meeting would improve, as often governors struggled to make the start of the meeting having left work.

# MALCOLM SARGENT PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

---

The finance and stewardship committee is a sub-committee of the main board of governors. Its purpose is to approve and monitor the academy's budget share to achieve best value and to monitor and evaluate the implementation of the school development plan. Particular issues which have been discussed during the year revolve around staffing costs and provision across the school.

Attendance at meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
K E Swanson	4	5
T M Harris	4	5
R A Butler	4	5
T J Revell	5	5
S J Stanier	5	5
N Saunderson	5	5

### **Review of value for money**

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- identifying cost savings when purchasing resources
- restructuring teaching staff
- re-tendering for school catering contract
- reducing the advertising budget, advertising on line via school website
- revised swimming provision to ensure more cost effective

### **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 on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 Malcolm Sargent Primary School for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of governors has reviewed the key risks to which the academy trust 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 trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

# MALCOLM SARGENT PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2015*

---

### **The risk and control framework**

The academy trust'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 stewardship committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the governors have appointed R Butler and T Harris, both trustees, to cover the work of a responsible officer.

Their role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of bank reconciliations
- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of cash management
- fixed assets review
- review of major contracts
- review of School Council account

On a termly basis, they report to the board of governors through the finance and stewardship committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors.

During the year there were three reports to the Governors in accordance with the requirements set out by the EFA, there have been no to date significant control issues highlighted as a result of the visits and therefore no further action has been required.

### **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:

- internal audit reports from governors,
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

# MALCOLM SARGENT PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

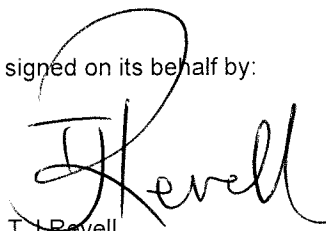
---

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and stewardship committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 8/12/15 and signed on its behalf by:



K E Swanson



T J Revell

# MALCOLM SARGENT PRIMARY SCHOOL

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

---

As accounting officer of Malcolm Sargent Primary School I have considered my responsibility to notify the academy trust 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 trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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

Approved on 8/12/15 and signed by:

T J Revell  
Accounting Officer



# MALCOLM SARGENT PRIMARY SCHOOL

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

---

The governors (who act as trustees for Malcolm Sargent Primary School and are also the directors of Malcolm Sargent Primary School for the purposes of company law) are responsible for preparing the Governors' Report and the accounts 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 accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of governors on 08/12/15 and signed on its behalf by:

K E Swanson





# **MALCOLM SARGENT PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF MALCOLM SARGENT PRIMARY SCHOOL**

---

We have audited the accounts of Malcolm Sargent Primary School for the year ended 31 August 2015 set out on pages 19 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 14, the governors, who are also the directors of Malcolm Sargent Primary School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company'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 accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts 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 accounts**

In our opinion the accounts:

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

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

# MALCOLM SARGENT PRIMARY SCHOOL

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

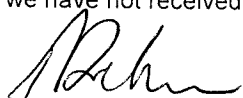
### TO THE MEMBERS OF MALCOLM SARGENT PRIMARY SCHOOL

---

#### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.



**Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)**  
**Rawlinsons Chartered Accountants**

#### Chartered Accountants

#### Statutory Auditor

Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

Dated: 11/12/15

# **MALCOLM SARGENT PRIMARY SCHOOL**

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

---

In accordance with the terms of our engagement letter dated 15 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Malcolm Sargent Primary School during the period 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 Malcolm Sargent Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Malcolm Sargent Primary School and the 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 the Malcolm Sargent Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Malcolm Sargent Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Malcolm Sargent Primary School's funding agreement with the Secretary of State for Education dated 1 December 2011 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 period 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 the 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' meetings.

# MALCOLM SARGENT PRIMARY SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MALCOLM SARGENT PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

---

### 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 period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tracey Richardson BSc (Hons) FCA  
**Reporting Accountant**  
Rawlinsons Chartered Accountants  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

Dated: .....11/12/15.....

# MALCOLM SARGENT PRIMARY SCHOOL

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>	<b>Notes</b>					
Resources from generated funds						
- Voluntary income	2	500	-	-	500	6,000
- Activities for generating funds	3	489,558	37,917	-	527,475	427,819
- Investment income	4	324	-	-	324	169
Resources from charitable activities						
- Funding for educational operations	5	59,421	1,917,435	263,648	2,240,504	2,181,823
<b>Total incoming resources</b>		<b>549,803</b>	<b>1,955,352</b>	<b>263,648</b>	<b>2,768,803</b>	<b>2,615,811</b>
<b>Resources expended</b>						
Costs of generating funds						
- Relating to voluntary income	6	285,479	-	-	285,479	290,804
Charitable activities						
- Educational operations	7	112,026	1,956,548	55,547	2,124,121	2,145,650
Governance costs	8	-	8,870	-	8,870	9,428
<b>Total resources expended</b>	<b>6</b>	<b>397,505</b>	<b>1,965,418</b>	<b>55,547</b>	<b>2,418,470</b>	<b>2,445,882</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>152,298</b>	<b>(10,066)</b>	<b>208,101</b>	<b>350,333</b>	<b>169,929</b>
Gross transfers between funds		(54,676)	-	54,676	-	-
<b>Net income/(expenditure) for the year</b>		<b>97,622</b>	<b>(10,066)</b>	<b>262,777</b>	<b>350,333</b>	<b>169,929</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	19	-	(5,000)	-	(5,000)	(64,000)
<b>Net movement in funds</b>		<b>97,622</b>	<b>(15,066)</b>	<b>262,777</b>	<b>345,333</b>	<b>105,929</b>
Fund balances at 1 September 2014		105,992	(214,371)	2,418,889	2,310,510	2,204,581
<b>Fund balances at 31 August 2015</b>		<b>203,614</b>	<b>(229,437)</b>	<b>2,681,666</b>	<b>2,655,843</b>	<b>2,310,510</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

# MALCOLM SARGENT PRIMARY SCHOOL

## CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	11	2,665,314	2,418,381
<b>Current assets</b>			
Stocks	13	1,212	2,269
Debtors	14	76,774	112,649
Cash at bank and in hand		423,897	265,350
		501,883	380,268
Creditors: amounts falling due within one year	15	(234,354)	(244,959)
<b>Net current assets</b>		267,529	135,309
<b>Total assets less current liabilities</b>		2,932,843	2,553,690
Creditors: amounts falling due after more than one year	16	-	(4,180)
<b>Net assets excluding pension liability</b>		2,932,843	2,549,510
Defined benefit pension liability	19	(277,000)	(239,000)
<b>Net assets</b>		2,655,843	2,310,510
<b>Funds of the academy trust:</b>			
<b>Restricted income funds</b>	18		
- Fixed asset funds		2,681,666	2,418,889
- General funds		47,563	24,629
- Pension reserve		(277,000)	(239,000)
<b>Total restricted funds</b>		2,452,229	2,204,518
<b>Unrestricted funds</b>	18	203,614	105,992
<b>Total funds</b>		2,655,843	2,310,510

The accounts were approved by order of the board of governors and authorised for issue on 08/12/15

K E Swanson

Company Number 07838151


# MALCOLM SARGENT PRIMARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	11	2,661,088	2,416,840
Investments	12	10	10
		<u>2,661,098</u>	<u>2,416,850</u>
<b>Current assets</b>			
Stocks	13	1,212	2,269
Debtors	14	141,208	108,396
Cash at bank and in hand		315,025	213,834
		<u>457,445</u>	<u>324,499</u>
Creditors: amounts falling due within one year	15	(184,381)	(185,044)
<b>Net current assets</b>		<u>273,064</u>	<u>139,455</u>
<b>Total assets less current liabilities</b>		<u>2,934,162</u>	<u>2,556,305</u>
Creditors: amounts falling due after more than one year	16	-	(4,180)
<b>Net assets excluding pension liability</b>		<u>2,934,162</u>	<u>2,552,125</u>
Defined benefit pension liability	19	(277,000)	(239,000)
<b>Net assets</b>		<u><u>2,657,162</u></u>	<u><u>2,313,125</u></u>
<b>Funds of the academy trust:</b>			
<b>Restricted income funds</b>	18		
- Fixed asset funds		2,681,666	2,418,889
- General funds		47,563	24,629
- Pension reserve		(277,000)	(239,000)
<b>Total restricted funds</b>		<u>2,452,229</u>	<u>2,204,518</u>
<b>Unrestricted funds</b>	18	<u>204,933</u>	<u>108,607</u>
<b>Total funds</b>		<u><u>2,657,162</u></u>	<u><u>2,313,125</u></u>

The accounts were approved by order of the board of governors and authorised for issue on 08/12/15

  
K E Swanson

Company Number 07838151

# MALCOLM SARGENT PRIMARY SCHOOL

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	21	209,547	(153,083)
<b>Returns on investments and servicing of finance</b>			
Investment income	324	169	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		324	169
		209,871	(152,914)
<b>Capital expenditure and financial investments</b>			
Capital grants received	263,648	348,957	
Payments to acquire tangible fixed assets	(302,480)	(5,931)	
<b>Net cash flow from capital activities</b>		(38,832)	343,026
<b>Net cash inflow/(outflow) before financing</b>		171,039	190,112
<b>Financing</b>			
Repayment of other loan	(12,492)	(8,248)	
<b>Net cash inflow/(outflow) from funding</b>		(12,492)	(8,248)
<b>Increase/(decrease) in cash</b>	22	158,547	181,864



# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

---

### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### 1.2 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 company 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 accounts.

#### 1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### Grants receivable

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.

##### Sponsorship income

Sponsorship income provided to the academy trust 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 the value of the donation is measurable.

##### Donations

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

##### Other income

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

##### Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust 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 trust's policies.

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

### 1 Accounting policies

(Continued)

#### 1.4 Resources expended

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

##### Costs of generating funds

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

##### Charitable activities

These are costs incurred on the academy trust's educational operations.

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### 1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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 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 trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	2% straight line
Leasehold property	Over the lease term
IT equipment	3 years straight line
Fixtures, fittings & equipment	5 years straight line

#### 1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### 1 Accounting policies

(Continued)

#### 1.8 Taxation

The academy trust 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.9 Pensions benefits

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

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 trust 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 19, the TPS is a multi-employer scheme and the academy trust 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 are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust 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 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 until 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.

#### 1.10 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education 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 Education Funding Agency/Department for Education.

Designated funds are where the governors have ring fenced unrestricted income for specific projects.

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

<b>2</b>	<b>Voluntary income</b>				
		<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
	Other donations	500	-	500	6,000
<b>3</b>	<b>Activities for generating funds</b>				
		<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
	Lettings	19,061	-	19,061	18,500
	Catering income	30,387	-	30,387	44,074
	Income from trading subsidiary	440,110	-	440,110	344,565
	Other income	-	37,917	37,917	20,680
		489,558	37,917	527,475	427,819
<b>4</b>	<b>Investment income</b>				
		<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
	Short term deposits	324	-	324	169
<b>5</b>	<b>Funding for the academy trust's educational operations</b>				
		<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
	<b>DfE / EFA grants</b>				
	General annual grant (GAG)	-	1,671,327	1,671,327	1,666,308
	Capital grants	-	263,648	263,648	339,432
	Other DfE / EFA grants	-	181,520	181,520	68,780
		-	2,116,495	2,116,495	2,074,520
	<b>Other government grants</b>				
	Local authority grants	-	48,552	48,552	40,332
	<b>Other funds</b>				
	Other incoming resources	59,421	16,036	75,457	66,971
	<b>Total funding</b>	59,421	2,181,083	2,240,504	2,181,823

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
<b>Academy's educational operations</b>					
- Direct costs	1,264,647	-	94,114	1,358,761	1,446,258
- Allocated support costs	419,280	97,378	248,702	765,360	699,392
	<u>1,683,927</u>	<u>97,378</u>	<u>342,816</u>	<u>2,124,121</u>	<u>2,145,650</u>
<b>Other expenditure</b>					
Costs of generating voluntary income	-	-	285,479	285,479	290,804
Governance costs	-	-	8,870	8,870	9,428
	<u>-</u>	<u>-</u>	<u>294,349</u>	<u>294,349</u>	<u>300,232</u>
<b>Total expenditure</b>	<u>1,683,927</u>	<u>97,378</u>	<u>637,165</u>	<u>2,418,470</u>	<u>2,445,882</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2015</b>	<b>2014</b>
				<b>£</b>	<b>£</b>
Operating leases					
- Plant and machinery				37,712	37,712
Fees payable to auditor					
- Audit				6,500	6,500
				<u>6,500</u>	<u>6,500</u>

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	1,238,849	1,238,849	1,329,177
Technology costs	-	5,278	5,278	11,075
Educational supplies and services	-	44,909	44,909	28,111
Staff development	-	25,798	25,798	19,537
Other direct costs	43,927	-	43,927	58,358
	<u>43,927</u>	<u>1,314,834</u>	<u>1,358,761</u>	<u>1,446,258</u>
<b>Allocated support costs</b>				
Support staff costs	-	419,280	419,280	241,026
Depreciation	-	55,547	55,547	53,763
Maintenance of premises and equipment	-	41,831	41,831	147,581
Other occupancy costs	-	68,174	68,174	61,643
Staff related insurance	-	20,432	20,432	25,786
Catering	30,387	61,007	91,394	52,160
Interest and finance costs	-	(2,000)	(2,000)	3,000
Other supplies and services	37,712	32,990	70,702	114,433
	<u>68,099</u>	<u>697,261</u>	<u>765,360</u>	<u>699,392</u>
<b>Total costs</b>	<u>112,026</u>	<u>2,012,095</u>	<u>2,124,121</u>	<u>2,145,650</u>

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	2,370	2,370	2,928
Auditor's remuneration	-	6,500	6,500	6,500
- Audit of financial statements	-	8,870	8,870	9,428
	<u>-</u>	<u>8,870</u>	<u>8,870</u>	<u>9,428</u>

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 9 Staff costs

	2015 £	2014 £
Wages and salaries	1,305,011	1,267,364
Social security costs	73,885	75,594
Other pension costs	260,371	223,688
	<u>1,639,267</u>	<u>1,566,646</u>
Supply teacher costs	18,053	547
Staff development and other staff costs	25,798	19,537
Recruitment and indirect staff costs	809	3,010
	<u>1,683,927</u>	<u>1,589,740</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	22	25
Administration and support	30	30
Management	3	2
	<u>55</u>	<u>57</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£70,001 - £80,000	<u>1</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	1	1
	£	<u>10,211</u>	<u>10,109</u>

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### 10 Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors.

The value of governors' remuneration and other benefits was as follows:

T Revell (principal and governor)

Remuneration £70,000 - £75,000 (2014 - £70,000 - £75,000)

Employer's pension contributions £10,000 - £15,000 (2014 - £10,000 - £15,000)

T Cox (staff governor)

Remuneration £55,000 - £60,000 (2014 - £55,000 - £60,000)

Employer's pension contributions £5,000 - £10,000 (2014 - £5,000 - £10,000)

A Buck (staff governor)

Remuneration £10,000 - £15,000 (2014 - £10,000 - £15,000)

Employer's pension contributions £0 - £5,000 (2014 - £0 - £5,000)

M Sudera (staff governor)

Remuneration £20,000 - £25,000 (2014 - £25,000 - £30,000)

Employer's pension contributions £0 - £5,000 (2014 - £0 - £5,000)

#### **Governors' and officers' insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £20,000,000 on any one claim and the cost for the year ended 31 August 2015 was included within the total insurance costs for the year.



# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets					
Group	Freehold buildings	Leasehold property	IT equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2014	2,454,387	69,316	7,822	5,773	2,537,298
Additions	295,358	-	5,550	1,572	302,480
At 31 August 2015	2,749,745	69,316	13,372	7,345	2,839,778
<b>Depreciation</b>					
At 1 September 2014	100,768	13,850	3,145	1,154	118,917
Charge for the year	36,643	13,863	3,965	1,076	55,547
At 31 August 2015	137,411	27,713	7,110	2,230	174,464
<b>Net book value</b>					
At 31 August 2015	2,612,334	41,603	6,262	5,115	2,665,314
At 31 August 2014	2,353,619	55,466	4,677	4,619	2,418,381

Charity	Freehold buildings	Leasehold property	IT equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2014	2,454,387	69,316	7,822	3,847	2,535,372
Additions	295,358	-	3,692	-	299,050
At 31 August 2015	2,749,745	69,316	11,514	3,847	2,834,422
<b>Depreciation</b>					
At 1 September 2014	100,768	13,850	3,145	769	118,532
Charge for the year	36,643	13,863	3,528	769	54,803
At 31 August 2015	137,411	27,713	6,340	1,871	173,335
<b>Net book value</b>					
At 31 August 2015	2,612,334	41,603	4,174	2,977	2,661,088
At 31 August 2014	2,353,619	55,466	4,677	3,078	2,416,840

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

### 12 Fixed asset investments Charity

	Total £
Historical cost:	
At 31 August 2015	10
At 31 August 2014	10

On 23 April 2013, Acorn Childcare Centre Limited was incorporated and became a wholly owned subsidiary of the academy. The company commenced trading as Acorn Nursery on 5 September 2013, the principal activity being the provision of childcare.

### 13 Stocks Group and Charity

	2015 £	2014 £
Stock	1,212	2,269

### 14 Debtors

	2015 £ Group	2015 £ Charity	2014 £ Group	2014 £ Charity
Trade debtors	5,726	3,728	1,539	-
Other debtors	8,717	8,717	29,504	26,790
Prepayments and accrued income	62,331	128,763	81,606	81,606
	<u>76,774</u>	<u>141,208</u>	<u>112,649</u>	<u>108,396</u>

### 15 Creditors: amounts falling due within one year

	2015 £ Group	2015 £ Charity	2014 £ Group	2014 £ Charity
Other loans	-	-	8,312	8,312
Trade creditors	33,712	33,451	27,120	14,491
Taxes and social security costs	23,090	20,466	27,394	22,652
Other creditors	-	-	42,624	80
Accruals	73,833	65,614	71,967	71,967
Deferred income	103,719	64,850	67,542	67,542
	<u>234,354</u>	<u>184,381</u>	<u>244,959</u>	<u>185,044</u>

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

<b>16</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2015</b>	<b>2014</b>
	<b>Group and Charity</b>	<b>£</b>	<b>£</b>
	Other loans	-	4,180
		<u>-</u>	<u>4,180</u>
	<b>Analysis of loans</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Wholly repayable within five years	-	12,492
	Less: included in current liabilities	-	(8,312)
		<u>-</u>	<u>12,492</u>
	Amounts included above	-	4,180
		<u>-</u>	<u>4,180</u>
	<b>Loan maturity</b>		
	Debt due in one year or less	-	8,312
	In more than one year but not more than two years	-	4,180
		<u>-</u>	<u>4,180</u>
		<u>-</u>	<u>12,492</u>

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17	Deferred income Group	2015 £	2014 £
	Deferred income is included within:		
	Creditors due within one year	103,719	67,542
	Total deferred income at 1 September 2014	67,542	13,763
	Amounts credited to the statement of financial activities	(67,542)	(13,763)
	Amounts deferred in the year	103,719	67,542
	<b>Total deferred income at 31 August 2015</b>	<b>103,719</b>	<b>67,542</b>
	<b>Charity</b>	<b>£</b>	<b>£</b>
	Deferred income is included within:		
	Creditors due within one year	64,850	67,542
	Total deferred income at 1 September 2014	67,542	13,763
	Amounts credited to the statement of financial activities	(67,542)	(13,763)
	Amounts deferred in the year	64,850	67,542
	<b>Total deferred income at 31 August 2015</b>	<b>64,850</b>	<b>67,542</b>

Deferred income relates to funds received in advance for school trips taking place after the balance sheet date and grant funding for Universal Infant Free School Meals for September 2015.

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 18 Funds Group

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant	24,629	1,671,327	(1,648,393)	-	47,563
Other DfE / EFA grants	-	181,520	(181,520)	-	-
Other government grants	-	48,552	(48,552)	-	-
Other restricted funds	-	53,953	(53,953)	-	-
	<u>24,629</u>	<u>1,955,352</u>	<u>(1,932,418)</u>	<u>-</u>	<u>47,563</u>
Funds excluding pensions	(239,000)	-	(33,000)	(5,000)	(277,000)
Pension reserve	<u>(214,371)</u>	<u>1,955,352</u>	<u>(1,965,418)</u>	<u>(5,000)</u>	<u>(229,437)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	57,515	263,648	(5,761)	(299,050)	16,352
Capital expenditure from GAG or other funds	<u>2,361,374</u>	<u>-</u>	<u>(49,786)</u>	<u>353,726</u>	<u>2,665,314</u>
	<u>2,418,889</u>	<u>263,648</u>	<u>(55,547)</u>	<u>54,676</u>	<u>2,681,666</u>
<b>Total restricted funds</b>	<u>2,204,518</u>	<u>2,219,000</u>	<u>(2,020,965)</u>	<u>49,676</u>	<u>2,452,229</u>
<b>Unrestricted funds</b>					
General funds	<u>105,992</u>	<u>549,803</u>	<u>(397,505)</u>	<u>(54,676)</u>	<u>203,614</u>
<b>Total funds</b>	<u>2,310,510</u>	<u>2,768,803</u>	<u>(2,418,470)</u>	<u>(5,000)</u>	<u>2,655,843</u>
<b>General unrestricted funds include designated funds:</b>					
School fund	19,609	48,020	(37,334)	-	30,295
School council	1,464	6,156	(6,157)	-	1,463
Acorn nursery	52,061	440,110	(385,782)	(54,676)	51,713
Balance of general funds	<u>32,858</u>	<u>55,517</u>	<u>31,768</u>	<u>-</u>	<u>120,143</u>
	<u>105,992</u>	<u>549,803</u>	<u>(397,505)</u>	<u>(54,676)</u>	<u>203,614</u>

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 18 Funds

(Continued)

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

#### Fixed asset funds

Academies capital maintenance funding has been received in the period for refurbishment and extension projects. At the year end, the refurbishment and extension was finished with no amount unspent.

The fixed asset fund represents the book value of fixed assets held by the academy, which are attributable to the core educational operations of the academy.

#### Restricted general funds

General annual grant unspent at the year end amounts to £43,652 and is shown as a carried forward fund. £3,911 is carried forward in relation to insurance, which represents the amount paid in advance for the insurance premium.

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.

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.

#### Designated funds

The funds are designated for the specific activities undertaken by the School Fund, School Council and Acorn Nursery.

### 19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lincolnshire County Council. Both are multi-employer 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 that of the LGPS related to the period ended 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.

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 19 Pensions and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £180,924 (2014: £182,046).

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 the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.9% for employers and 5.5 to 9.9% for employees. The estimated value of employer contributions for the forthcoming year is £91,000.

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.

Contributions made	2015 £	2014 £
Employer's contributions	91,000	98,000
Employees' contributions	25,000	23,000
Total contributions	116,000	121,000

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 19 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.1	4.0
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	3.8	3.7
Inflation assumption (CPI)	3.8	5.8

<u>Change in assumptions at 31 August 2015</u>	<u>Approximate % increase to Employer Liability</u>	<u>Approximate monetary amount</u>
0.5% decrease in Real Discount Rate	13%	£120,000
1 year increase in member life expectancy	3%	£28,000
0.5% increase in the Salary Increase Rate	7%	£61,000
0.5% increase in the Pension Increase Rate	6%	£55,000

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

	2015 Years	2014 Years
Retiring today		
- Males	22.2	22.2
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.5	24.5
- Females	26.8	26.8

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

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.8	484,000	6.3	394,000
Bonds	3.8	84,000	3.6	67,000
Property	3.8	78,000	4.5	57,000
Other assets	3.8	-	3.3	-
Total market value of assets		646,000		518,000
Present value of scheme liabilities - funded		(923,000)		(757,000)
Net pension asset / (liability)		(277,000)		(239,000)



# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 19 Pensions and similar obligations

(Continued)

#### Amounts recognised in the statement of financial activities

	2015 £	2014 £
<b>Operating costs/(income)</b>		
Current service cost (net of employee contributions)	126,000	102,000
Past service cost	-	-
Total operating charge	126,000	102,000
<b>Finance costs/(income)</b>		
Expected return on pension scheme assets	(33,000)	(21,000)
Interest on pension liabilities	31,000	24,000
Net finance costs/(income)	(2,000)	3,000
<b>Total charge/(income)</b>	124,000	105,000

#### Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	19,000	(90,000)
Experience (gains)/losses on liabilities	(14,000)	154,000
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	5,000	64,000
Cumulative (gains)/losses to date	78,000	73,000

#### Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(757,000)	(457,000)
Current service cost	(126,000)	(102,000)
Interest cost	(31,000)	(24,000)
Contributions by employees	(25,000)	(23,000)
Actuarial gains/(losses)	14,000	(154,000)
Benefits paid	2,000	3,000
At 31 August 2015	(923,000)	(757,000)

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

### 19 Pensions and similar obligations

(Continued)

#### Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	518,000	289,000
Expected return on assets	33,000	21,000
Actuarial gains/(losses)	(19,000)	90,000
Contributions by employers	91,000	98,000
Contributions by employees	25,000	23,000
Benefits paid	(2,000)	(3,000)
At 31 August 2015	646,000	518,000

#### History of experience gains and losses

	2015 £	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(923,000)	(757,000)	(457,000)	(334,000)
Fair value of share of scheme assets	646,000	518,000	289,000	151,000
Surplus / (deficit)	(277,000)	(239,000)	(168,000)	(183,000)
Experience adjustment on scheme assets	(19,000)	90,000	20,000	3,000
Experience adjustment on scheme liabilities	14,000	(154,000)	(11,000)	(21,000)

### 20 Analysis of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2015 are represented by:</b>				
Tangible fixed assets	4,227	-	2,661,087	2,665,314
Current assets	275,417	205,887	20,579	501,883
Creditors: amounts falling due within one year	(76,030)	(158,324)	-	(234,354)
Defined benefit pension liability	-	(277,000)	-	(277,000)
	203,614	(229,437)	2,681,666	2,655,843

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 21 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income	350,333	169,929
Capital grants and similar income	(263,648)	(348,957)
Investment income	(324)	(169)
Defined benefit pension costs less contributions payable	35,000	4,000
Defined benefit pension finance costs/(income)	(2,000)	3,000
Depreciation of tangible fixed assets	55,547	54,148
(Increase)/decrease in stocks	1,057	1,680
(Increase)/decrease in debtors	35,875	55,963
Increase/(decrease) in creditors	(2,293)	(92,677)
Net cash inflow/(outflow) from operating activities	209,547	(153,083)

### 22 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase/(decrease) in cash	158,547	-
Repayment of other loan	12,492	8,248
Net funds at 1 September 2014	252,858	244,610
Net funds at 31 August 2015	423,897	252,858

### 23 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	265,350	158,547	-	423,897
Debt due within one year	(8,312)	12,492	(4,180)	-
Debt due after one year	(4,180)	-	4,180	-
	(12,492)	12,492	-	-
Net balances	252,858	171,039	-	423,897

# MALCOLM SARGENT PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### 24 Commitments under operating leases

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

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
- Between two and five years	37,712	37,712
	<u>          </u>	<u>          </u>

### 25 Related parties

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. There have been no transactions during the year.

Some of the governors have children who are pupils at the academy, consequently there will be transactions between those governors and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

Included within income is £102,591 (2014: £80,939) recharged to the subsidiary company, Acorn Childcare Centre Limited.

A £50,000 (2014: £nil) donation has been gift aided from Acorn Childcare Centre Limited during the year.

At the year end, £68,073 (2014: £11,408) is included within debtors due from Acorn Childcare Centre Limited, and £nil (2014: £10) is included within other creditors due to Acorn Childcare Centre Limited.

During the year, fixed assets were sold to Acorn Childcare Centre Limited at a cost of £nil (2014: £6,092).

### 26 Members' liability

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