

**Registered number: 08027879**

**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**Members**

JF Dean  
PM Irving  
VH Pace

**Trustees**

JF Dean, Chair<sup>1</sup>  
A Dixon, Headteacher and Accounting Officer<sup>1</sup>  
PM Irving<sup>1</sup>  
V Johnson, Deputy Headteacher and Staff Trustee  
DW Owen  
VH Pace<sup>1</sup>  
W Paton (appointed 27 October 2014)<sup>1</sup>  
C Pearson<sup>1</sup>  
KS Roberts  
A Savage, Staff Trustee  
C Smithurst, Associate Trustee  
MJ True, Staff Trustee

<sup>1</sup> Audit, Finance and General Purposes Committee

**Company registered number**

08027879

**Principal and registered office**

Ingleby Moor Crescent  
Darlington  
County Durham  
DL1 4RW

**Company secretary**

J Brooks

**Senior management team**

A Dixon, Executive Headteacher  
V Johnson, Deputy Headteacher  
J Brooks, Academy Business Manager

**Independent auditors**

Clive Owen LLP  
Chartered Accountants  
Statutory Auditors  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

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

**Bankers**

Lloyds TSB  
Skinnergate  
Darlington  
Co Durham  
DL3 7ND

**Solicitors**

Bond Dickinson LLP  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
NE1 3DX

**FIRTHMOOR PRIMARY SCHOOL**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

The trustees present their annual report together with the financial statements and auditor's report 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 3 to 11 serving a catchment area in Darlington. It has a pupil capacity of 354 and had a roll of 324 in the school census on 25 May 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 trustees of Firthmoor Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Firthmoor Primary School.

Details of the trustees 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.

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

Trustees are appointed under the rules contained within the Academy's Memorandum and Articles of Association and membership of the board of trustees is in accordance with the structure contained within it. Up to 12 trustees may be appointed. The members may appoint staff trustees through any process as they may determine, provided that the total number of trustees (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of trustees.

- The Headteacher shall be treated for all purposes as being an ex officio trustee.
- The Local Authority may appoint the Local Authority trustee.

The parent trustees shall be elected by parents of registered pupils at the Academy. A parent trustee must be a parent of a pupil at the academy at the time when they are elected. If the number of parents standing for election is less than the number of vacancies, then the board of trustees can appoint them.

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to the Headteacher or any post held ex officio. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected. The trustees may appoint up to 3 co-opted trustees. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if thereby the number of trustees who are employees of the trust would exceed one third of the total number of trustees.

The Secretary of State may appoint additional trustees as he sees fit if he has given the trustees a warning notice, and the trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

**FIRTHMOOR PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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

The training and induction provided for new trustees depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters and is accessed via the governance support service level agreement. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only one or two trustees a year, induction tends to be done informally and is tailored specifically to the individual.

**ORGANISATIONAL STRUCTURE**

During the year the academy continued to operate a unified management structure. The Structure consists of 3 levels: the trustees, the Senior Leadership team and the Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The management structure consists of:

- The trustees.
- The Senior Leadership Team (1 Headteacher, 1 Deputy Headteacher, 1 Assistant Headteacher).
- The Leadership Team (1 SENCO, 1 Curriculum leader and 1 Inclusion Officer).
- The Academy Business Manager.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments. Much of the detailed work of trustees is completed by the sub committees. The Senior Leadership Team controls the academy at an executive level, implementing policy and reporting to trustees. The Headteacher, trustees and senior staff are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Leadership Team always contain a trustee.

**CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

Firthmoor Primary School is a standalone academy and not part of a Multi Academy Trust. There are no connected organisations which have been identified.

There are no connected organisations. Related party transactions are disclosed under in note 24.

**TRUSTEES' INDEMNITIES**

The academy has purchased insurance to protect trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 11.

**FIRTHMOOR PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**Objectives and Activities**

**OBJECTS AND AIMS**

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the academy during the year ended 31 August 2015 are summarised below:

- 1) Continue to improve quality of learning and teaching - high quality delivery, marking and feedback and focus intervention to ensure high attainment and progress.
- 2) Raise standards in Maths across the school – develop secure knowledge of basic skills in a wide range of applications and ensure good progress of FSM pupils at EYFS/KS1/KS2.
- 3) Raise standards in Reading across the school – develop reading comprehension and ensure good progress of FSM pupils at EYFS/KS1/KS2.
- 4) To raise standards of focus groups in Writing – narrow the gap between FSM and Non-FSM pupils.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

The principal object and activity of the charitable company is the operation of Firthmoor Primary School to provide education for students of different abilities between the ages of 3 and 11. The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for all students. The academy's main objectives are encompassed in its mission statement and values which are as follows:

At Firthmoor Primary School, we are dedicated to providing the very best care and education for all our children. We want our school to be a happy, inclusive and successful community. Within a safe, positive and supportive environment, our children are encouraged to take responsibility for their own health and well-being.

We promote a love of learning, which encourages our children to aim high and become valuable members of society and pride ourselves on being a school at the heart of the Firthmoor Community, involving pupils, parents and the wider community in our achievements.

The main objectives of the academy are summarised below:

- To promote the development of all children, ensuring learning opportunities and programmes are in place for children to make good progress;
- To encourage children to grow and develop their potential by allocating resources, enabling them to fully participate in the life of the school;
- To raise the standard of educational achievement of all students;
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements; and
- To conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

**FIRTHMOOR PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

We achieve these aims by:

- Providing tuition and learning opportunities for all students to attain appropriate academic and vocational qualifications;
- Offering a broad and balanced curriculum that promotes equal opportunities for all the children within our school;
- Engage with partner agencies in developing appropriate provision and supportive strategies;
- Encourage pupils to develop their own independence and individuality by exploring their strengths and limitations;
- Providing training opportunities for all staff;
- Creating and maintaining strong links with community groups and external stakeholders; and
- Provide a programme of cultural and spiritual activities to ensure that students have the widest possible life experience at school and learn respect for other races, religions and social groups.

**PUBLIC BENEFIT**

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the trustees have considered this guidance in deciding what activities the academy should undertake.

**Strategic report**

**ACHIEVEMENTS AND PERFORMANCE**

In end of Key Stage assessments the academy continues with an upward trend.

**KS1 - pupils achieving L2B+.**

Reading	67% (2014)	73% (2015)
Writing	54% (2014)	61% (2015)
Maths	67% (2014)	73% (2015)

**KS2 – pupils achieving L4+**

Reading	91% (2014)	100% (2015)
Writing	82% (2014)	90% (2015)
Maths	91% (2014)	95% (2015)
GPS	73% (2014)	82% (2015)

L4b+ across all subjects at KS2 also showed a significant increase on the previous year.

In 2015 expected progress scores from KS1 to KS2 were all above floor targets (100% in Reading, 97% in Writing and 100% in Maths).

To ensure that standards continue to rise the academy is focused on further improving the quality of teaching and learning. New members of staff are given an intensive programme of support to ensure that they fully understand and are following school systems. Individual pupil progress and attainment is rigorously tracked, providing targeted interventions to ensure good progress for all pupils. A programme of lesson observations and work scrutinises, combined with intensive staff development, is planned to ensure maximum impact on pupil progress.



**FIRTHMOOR PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**GOING CONCERN**

After making appropriate enquiries, the board of trustees 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.

**KEY FINANCIAL PERFORMANCE INDICATORS**

Key Performance Indicators

- **External School Improvement Partner Reports**  
External school improvement reports for 2014/2015 focused primarily on the school's use of Pupil Premium funding. The school improvement partner conducted a review of data, observed intervention teaching and held discussions with pupils.
- **Pupil attainment**  
All pupil attainment targets for school development in 2014/15 were met. The school exceeded national floor targets at KS2. Proportions of pupils marking and exceeding expected progress were similar to that of other pupils nationally
- **Attendance**  
Attendance for 2014 was 97% which is above the national average for primary schools. Persistent absence is below the national average.
- **Exclusions**  
There have been permanent exclusions in 2014/15. Fixed term exclusions are well below national figures for primary schools.
- **Quality of Teaching**  
Lesson observations, work scrutinies and pupil attainment, demonstrates that the quality of teaching in the school is consistently good with outstanding features.
- **Overall Ofsted Judgements**  
The school was judged to be 'good' during the last Ofsted inspection in 2013.

**REVIEW OF ACTIVITIES**

Most of the academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/EFA. 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 expected useful life of the assets concerned.

During the year ended 31 August 2015, total expenditure of £1,675,000 was exceeded by recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of income over expenditure for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £86,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives.

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

**REVIEW OF ACTIVITIES (continued)**

At 31 August 2015 the net book value of fixed assets was £2,503,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard No.17 'Retirement Benefits' (FRS 17) have been applied in full, resulting in a deficit of £367,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2015 of £2,604,000 comprising £2,402,000 of restricted funds and £202,000 of unrestricted funds.

**Financial review**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/EFA. In addition the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

The trustees have assessed the major risks, to which the academy is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has in place procedures to identify and mitigate financial risks.

**RESERVES POLICY**

The academy holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- to provide funds which can be designated to specific areas such as improving facilities;
- to cover costs of any unplanned repairs and maintenance that may be required;
- to provide cost for staff sickness and absences cover.

The level of reserves is reviewed by the trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy is reviewed by the trustees on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of £159,000.

This is considered sufficient to cover

- replacement leadership, teaching and support time to cover staff absence;
- curriculum resources if departments require additional support;
- capital expenditure when projects are identified.

**FIRTHMOOR PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**RESERVES POLICY (continued)**

The academy's current level of free reserves are in surplus by £202,000 and are considered to be above the level of reserves required for the ongoing needs of the academy. The trustees continue to consider additional activities related to the academy's objectives to which the excess reserves may be applied including:

- curriculum resources and support to help raise standards in maths, reading, and writing should the academy require additional support;
- additional resources to develop learning and teaching;
- capital expenditure on new projects.

**INVESTMENTS POLICY**

Firthmoor Primary School aims to manage its cash balances to provide for the day-to-day requirement of its operations while protecting the real long-term value of any surplus cash balances against inflation. In addition the school aims to invest surplus cash funds to optimise returns, but ensure that the investments are such that there is no risk to the loss of these cash funds.

It is recognised that most funds will be held within the school current accounts, which are interest bearing. However where the cash flow identifies a base level of cash funds that will be surplus to requirements; these may be invested in an interest bearing account with one of the recognised high street banks.

**Plans for future periods**

The academy will be looking at directing reserves towards:

- Providing pupils with life experiences to increase curriculum knowledge.
- One to One and small group intervention for focus pupils in Literacy and Maths.
- Access to a speech and language technician for identified pupils in EY/KS1.
- Increased pastoral support.
- Enhancement of outdoor space.

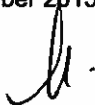
**DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the trustee are aware:

- there is no relevant audit information of which the academy's auditors are unaware
- the trustees 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.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 26 November 2015 and signed on the board's behalf by:

**JF Dean**  
**Chair of Trustees**



**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Firthmoor 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 trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Firthmoor Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
JF Dean, Chair	3	3
A Dixon, Headteacher and Accounting Officer	2	3
PM Irving	2	3
V Johnson	3	3
DW Owen	3	3
VH Pace	1	3
W Paton	3	3
C Pearson	3	3
KS Roberts	2	3
A Savage	3	3
C Smithurst	3	3
MJ True	3	3

The Audit, Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to ensure the school has strategic plans in place to deliver effective teaching and learning within the school budget.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
JF Dean	4	4
A Dixon, Headteacher and Accounting Officer	4	4
PM Irving	1	4
VH Pace	3	4
W Paton	2	4
C Pearson	1	4

**FIRTHMOOR PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

**REVIEW OF VALUE FOR MONEY**

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

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

- **Improving Educational Results:**  
Our resources are directed where they will be the most effective in meeting educational requirements, for example:
  - Robust tracking systems to record and monitor all aspects of pupil data including progress.
  - Continue to monitor staffing levels and deploy staff efficiently to support the curriculum and areas of development.
  - Provide a programme of lesson observations and work scrutinies combined with intensive staff development to ensure pupil progress.
  - Funding is allocated to optimal effect, for example, providing targeted support and interventions for pupils such as small group tuition, individual pupil support, after school clubs and additional curricular activities.
  - Working collaboratively with other schools, sharing good practice to improve CPD and improve standards.
  - Implement strategies to improve attendance and end of key stage results.
  - Provide increased pastoral and speech and language support for identified pupils.
- **Financial Governance and Oversight**  
Financial governance arrangements include regular monitoring by the board of trustees and the Audit, Finance and General Purposes Committee. This includes:
  - Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports reviewed and agreed by the board of trustees.
  - Regular monitoring review of reports and data sources within governing body meetings, monitoring the impact of activities and funding streams, such as pupil premium.
  - Regular reviews by the Audit, Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
  - Robust finance procedures and regular policy reviews ensure the school is operating within the regulations of the Academies Handbook.
  - Comprehensive audit checks, monitoring and reporting on the Academy's financial procedures and performance.
  - Reviewing appropriate financial benchmarking data, in order to compare the schools financial performance with other similar schools.
- **Better Purchasing:**
  - Spending proposals are priced and presented to governors, challenged appropriately and recorded in minutes.
  - Contracts and service level agreements are reviewed regularly to ensure the service remains suitable for the needs of the academy and tenders / quotations are obtained where appropriate to ensure value for money.
  - Continue to work with forum groups and other education providers to improve sharing of good practice and joint procurement of services.
- **Reviewing controls and managing risk:**
  - Cash flow forecasts are included within regular reports to identify and invest surplus cash balances and maximise bank interest.
  - Clearly defined purchasing (asset purchase or capital investment) guidelines
    - Delegation of authority and segregation of duties are defined within policies and governor meetings
    - Review of risk register is a standing agenda item for all committee meetings.

**FIRTHMOOR PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

**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 Firthmoor Primary School 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 trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 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 trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

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

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

- Testing of payroll systems;
- Testing of purchase systems;
- Testing of petty cash/expenses procedures;
- Testing of income;
- Testing of the accounting systems and management information produced;
- Review of trustee appointments/resignations and declarations of interest;
- Review of gifts and hospitality & honorarium/ex-gratia payments;
- Review of information technology strategy;
- Review of fixed assets;
- Review of VAT and Corporation tax position.

On a termly basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The external auditor has delivered their schedule of work as planned and no material control issues have arisen.

**FIRTHMOOR PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

**REVIEW OF EFFECTIVENESS**

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

- the work of the external auditors;
- 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 Audit, Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 26 November 2015 and signed on its behalf, by:

**JF Dean**  
**Chair of Trustees**



**A Dixon**

**Headteacher and Accounting Officer**



**FIRTHMOOR PRIMARY SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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



**A Dixon**  
**Accounting Officer**

26 November 2015



**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

The trustees (who act as governors of Firthmoor Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 26 November 2015 and signed on its behalf by:

**JF Dean**  
**Chair of Trustees**



**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRTHMOOR PRIMARY SCHOOL**

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

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

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

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

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

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

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

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRTHMOOR 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Clive Owen LLP*

Kevin Shotton BA ACA (Senior statutory auditor)

for and on behalf of

**Clive Owen LLP**

Chartered Accountants  
Statutory Auditors

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT  
26 November 2015

**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FIRTHMOOR  
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 14 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 Firthmoor Primary School 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 Firthmoor Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Firthmoor Primary School 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 Firthmoor Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF FIRTHMOOR PRIMARY SCHOOL'S ACCOUNTING OFFICER AND  
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Firthmoor Primary School's funding agreement with the Secretary of State for Education dated 1 May 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.

**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**


**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FIRTHMOOR  
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

The work undertaken to draw to our conclusion includes:

- Review of quarterly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to trustees and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts; and
- Review an instance of gifts/hospitality to ensure in line with policy.

**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.



Kevin Shotton BA ACA

**Clive Owen LLP**

Reporting Accountant

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

26 November 2015

**FIRTHMOOR PRIMARY SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Activities for generating funds	2	34	-	-	34	34
Investment income	3	1	-	-	1	1
Incoming resources from charitable activities	4	-	1,654	7	1,661	1,649
<b>TOTAL INCOMING RESOURCES</b>		<b>35</b>	<b>1,654</b>	<b>7</b>	<b>1,696</b>	<b>1,684</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities	6	24	1,568	72	1,664	1,508
Governance costs	5	-	11	-	11	9
<b>TOTAL RESOURCES EXPENDED</b>	7	<b>24</b>	<b>1,579</b>	<b>72</b>	<b>1,675</b>	<b>1,517</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>11</b>	<b>75</b>	<b>(65)</b>	<b>21</b>	<b>167</b>
Transfers between Funds	17	-	(77)	77	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>11</b>	<b>(2)</b>	<b>12</b>	<b>21</b>	<b>167</b>
Actuarial gains and losses on defined benefit pension schemes		-	9	-	9	71
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>11</b>	<b>7</b>	<b>12</b>	<b>30</b>	<b>238</b>
<i>Total funds at 1 September 2014</i>		<i>191</i>	<i>(108)</i>	<i>2,491</i>	<i>2,574</i>	<i>2,336</i>
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>202</b>	<b>(101)</b>	<b>2,503</b>	<b>2,604</b>	<b>2,574</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 23 to 39 form part of these financial statements.

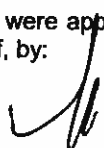
**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08027879**

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

	Note	£000	2015 £000	2014 £000
<b>FIXED ASSETS</b>				
Tangible assets	12		2,503	2,491
<b>CURRENT ASSETS</b>				
Stocks	13	3		4
Debtors	14	94		97
Cash at bank		539		550
		636		651
<b>CREDITORS: amounts falling due within one year</b>	15	(168)		(199)
<b>NET CURRENT ASSETS</b>			468	452
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,971	2,943
<b>CREDITORS: amounts falling due after more than one year</b>	16		-	(6)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			2,971	2,937
Defined benefit pension scheme liability	22		(367)	(363)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			2,604	2,574
<b>FUNDS OF THE ACADEMY</b>				
Restricted funds:				
Restricted funds	17	266		255
Restricted fixed asset funds	17	2,503		2,491
Restricted funds excluding pension liability		2,769		2,746
Pension reserve		(367)		(363)
Total restricted funds			2,402	2,383
Unrestricted funds	17		202	191
<b>TOTAL FUNDS</b>			2,604	2,574

The financial statements were approved by the Trustees, and authorised for issue, on 26 November 2015 and are signed on their behalf, by:

**JF Dean**  
**Chair of Trustees**



The notes on pages 23 to 39 form part of these financial statements.

**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

	Note	2015 £000	2014 £000
Net cash flow from operating activities	19	65	261
Returns on investments and servicing of finance	20	1	1
Capital expenditure and financial investment	20	(77)	(58)
		(11)	204
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(11)</b>	<b>204</b>

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

	2015 £000	2014 £000
(Decrease)/Increase in cash in the year	(11)	204
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>(11)</b>	<b>204</b>
Net funds at 1 September 2014	550	346
<b>NET FUNDS AT 31 AUGUST 2015</b>	<b>539</b>	<b>550</b>

The notes on pages 23 to 39 form part of these financial statements.



**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

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

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

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

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

**1.3 Incoming resources**

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

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

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

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

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.

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

**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

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.

**1.4 Resources expended**

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

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The premises are held on a 125 year lease from Darlington Borough Council. As the risks and rewards have transferred to the academy, the asset has been recognised within tangible fixed assets. The initial acquisition was recognised at existing use valuation by Mouchel, on behalf of the Education Funding Agency. The trustees consider that the cost of obtaining an additional valuation would outweigh the benefit.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicates 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.

**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

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

Long-term leasehold property	-	50 years
Fixtures and fittings	-	7 years
Computer equipment	-	3 years

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.8 Taxation**

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 Pensions**

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes 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 22, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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 Operating leases**

Rentals under operating leases are charged on a straight line basis over the lease term.

**FIRTHMOOR PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**2. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Sundry income	12	-	12	1
Catering	22	-	22	33
	<u>34</u>	<u>-</u>	<u>34</u>	<u>34</u>

**3. INVESTMENT INCOME**

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Bank interest	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

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

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
<b>DfE/EFA revenue grants</b>				
Devolved Formula Capital	-	7	7	32
General Annual Grant (GAG)	-	1,283	1,283	1,294
Pupil Premium	-	238	238	-
Other DfE/EFA Grants	-	46	46	219
	<u>-</u>	<u>1,574</u>	<u>1,574</u>	<u>1,545</u>
<b>Other Government Grants</b>				
Other Government Grants	-	87	87	86
	<u>-</u>	<u>87</u>	<u>87</u>	<u>86</u>
<b>Other Grants</b>				
Other Grants	-	-	-	18
	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>
	<u>-</u>	<u>1,661</u>	<u>1,661</u>	<u>1,649</u>

**FIRTHMOOR PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**5. GOVERNANCE COSTS**

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Audit of financial statements	-	6	6	3
Auditors non audit services	-	4	4	5
Legal and professional fees	-	1	1	1
	<u>-</u>	<u>11</u>	<u>11</u>	<u>9</u>

**6. CHARITABLE ACTIVITIES**

	Total funds 2015 £000	<i>Total funds 2014 £000</i>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	813	788
National insurance	56	55
Pension cost	124	110
Educational supplies	58	52
Staff development	3	6
Technology costs	8	6
Educational consultancy	-	29
Other direct costs	19	-
	<u>1,081</u>	<u>1,046</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	136	65
National insurance	3	-
Pension cost	8	-
Depreciation	72	68
Net interest cost on pension scheme	3	12
Technology costs	8	-
Maintenance of premises and equipment	37	46
Cleaning	51	55
Rates	14	15
Energy	21	24
Insurance	20	26
Transport	4	-
Catering	77	70
Occupancy costs	1	-
Other support costs	128	81
	<u>583</u>	<u>462</u>
	<u>1,664</u>	<u>1,508</u>

**FIRTHMOOR PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**7. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure		Total	Total
	2015 £000	Premises 2015 £000	Other costs 2015 £000	2015 £000	2014 £000
Academy's educational operations	993	-	88	1,081	1,046
Support costs - Academy's educational operations	147	203	233	583	462
<b>Charitable activities</b>	<b>1,140</b>	<b>203</b>	<b>321</b>	<b>1,664</b>	<b>1,508</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>11</b>	<b>9</b>
	<b>1,140</b>	<b>203</b>	<b>332</b>	<b>1,675</b>	<b>1,517</b>

There were no individual transactions exceeding £5,000 for:

- Ex-gratia/compensation payments;
- Gifts made by the academy;
- Fixed asset losses;
- Stock losses;
- Unrecoverable debts;
- Cash losses.

**8. NET INCOMING RESOURCES**

This is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets:		
- owned by the charity	72	68
Auditors' remuneration	6	3
Operating lease rentals:		
- other operating leases	2	3
Auditors' non -audit services	4	5

**FIRTHMOOR PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**9. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	874	797
Social security costs	59	55
Other pension costs (Note 22)	132	110
	<u>1,065</u>	<u>962</u>
Supply teacher costs	75	56
	<u>1,140</u>	<u>1,018</u>

**b. Staff numbers**

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

	2015 No.	2014 No.
Teachers	11	12
Teaching support	15	14
Administration	3	2
Management	2	3
	<u>31</u>	<u>31</u>

**c. Higher paid staff**

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	1	1

The above employee participated in the Teachers Pension Scheme. During the year ended 31 August 2015 pension contributions for this member of staff amounted to £9,000 (2014: £9,000).

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**10. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff trustees 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 Trustees. The value of Trustees' remuneration and other benefits was as follows:

A Dixon (Headteacher and staff trustee)

Remuneration £60,000 - £65,000 (2014: £60,000 - £65,000)

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

V Johnson (Staff trustee)

Remuneration £45,000 - £50,000

Employer's pension contributions £5,000 - £10,000

M True (Staff trustee)

Remuneration £35,000 - £40,000

Employer's pension contributions £nil - £5,000

A Savage (Staff trustee)

Remuneration £15,000 - £20,000

Employer's pension contributions £nil

C Smithurst (Staff trustee)

Remuneration £5,000 - £10,000

Employer's pension contributions £nil - £5,000

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

Other related party transactions involving the trustees are set out in note 24.

**11. TRUSTEES' AND OFFICERS' INSURANCE**

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.



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**12. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>				
At 1 September 2014	2,494	112	34	2,640
Additions	12	49	23	84
At 31 August 2015	<u>2,506</u>	<u>161</u>	<u>57</u>	<u>2,724</u>
<b>Depreciation</b>				
At 1 September 2014	117	11	21	149
Charge for the year	50	10	12	72
At 31 August 2015	<u>167</u>	<u>21</u>	<u>33</u>	<u>221</u>
<b>Net book value</b>				
At 31 August 2015	<u>2,339</u>	<u>140</u>	<u>24</u>	<u>2,503</u>
At 31 August 2014	<u>2,377</u>	<u>101</u>	<u>13</u>	<u>2,491</u>

**13. STOCKS**

	2015 £000	2014 £000
Finished goods and goods for resale	<u>3</u>	<u>4</u>

**14. DEBTORS**

	2015 £000	2014 £000
VAT debtor	21	30
Prepayments and accrued income	73	67
	<u>94</u>	<u>97</u>

**15. CREDITORS:  
Amounts falling due within one year**

	2015 £000	2014 £000
Trade creditors	72	74
Other taxation and social security	17	17
Other creditors	22	21
Accruals and deferred income	57	87
	<u>168</u>	<u>199</u>

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**15. CREDITORS:**  
**Amounts falling due within one year (continued)**

	£000
<b>Deferred income</b>	
Deferred income at 1 September 2014	71
Resources deferred during the year	48
Amounts released from previous years	(71)
	48
Deferred income at 31 August 2015	48

At the balance sheet date the academy trust held funding received in advance in respect of nursery funding, IAR income, rates reclaims and EFA infant FSM income.

**16. CREDITORS:**  
**Amounts falling due after more than one year**

	2015 £000	2014 £000
Other creditors	-	6
	-	6

**17. STATEMENT OF FUNDS**

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>Unrestricted funds</b>						
General funds	191	35	(24)	-	-	202
	191	35	(24)	-	-	202
<b>Restricted funds</b>						
General Annual Grant (GAG)	255	1,283	(1,195)	(77)	-	266
Other DfE/EFA Grants	-	284	(284)	-	-	-
Other government grants	-	87	(87)	-	-	-
Pension reserve	(363)	-	(13)	-	9	(367)
	(108)	1,654	(1,579)	(77)	9	(101)
	(108)	1,654	(1,579)	(77)	9	(101)

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**17. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Restricted Fixed Asset Funds	2,368	-	(53)	-	-	2,315
DFE/EFA capital grants	67	7	(3)	-	-	71
Capital expenditure from GAG	56	-	(16)	77	-	117
	<u>2,491</u>	<u>7</u>	<u>(72)</u>	<u>77</u>	<u>-</u>	<u>2,503</u>
Total restricted funds	<u>2,383</u>	<u>1,661</u>	<u>(1,651)</u>	<u>-</u>	<u>9</u>	<u>2,402</u>
Total of funds	<u><u>2,574</u></u>	<u><u>1,696</u></u>	<u><u>(1,675)</u></u>	<u><u>-</u></u>	<u><u>9</u></u>	<u><u>2,604</u></u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the academy.

Other DfE/EFA grants and local authority grants include pupil premium, PE grants, nursery funding and ILS transfers.

Other government grants includes indicative nursery grant, IAR and ILS funding.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful life of the associated assets.

Unrestricted funds can be used for any purpose at the discretion of the academy.

The deficit on the restricted funds is attributable to the LGPS pension scheme deficit alone.

Transfers have been made from GAG to fixed asset funds in relation to capital assets acquired through GAG.

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

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	<i>Total funds 2014 £000</i>
Tangible fixed assets	-	-	2,503	2,503	2,491
Current assets	202	434	-	636	651
Creditors due within one year	-	(168)	-	(168)	(199)
Creditors due in more than one year	-	-	-	-	(6)
Provisions for liabilities and charges	-	(367)	-	(367)	(363)
	<u>202</u>	<u>(101)</u>	<u>2,503</u>	<u>2,604</u>	<u>2,574</u>

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

	2015 £000	2014 £000
Net incoming resources before revaluations	21	167
Returns on investments and servicing of finance	(1)	(1)
Depreciation of tangible fixed assets	72	68
Capital grants from DfE	(7)	(31)
Increase in stocks	(1)	(2)
Increase in debtors	(3)	(18)
(Decrease)/increase in creditors	(29)	65
FRS 17 adjustments	13	13
<b>Net cash inflow from operations</b>	<u>65</u>	<u>261</u>

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

	2015 £000	2014 £000
<b>Returns on investments and servicing of finance</b>		
Interest received	1	1
	<u>1</u>	<u>1</u>
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	(84)	(89)
Capital grants from DfE	7	31
<b>Net cash outflow capital expenditure</b>	<u>(77)</u>	<u>(58)</u>

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

	1 September 2014 £000	Cash flow £000	Other non-cash changes £000	31 August 2015 £000
Cash at bank and in hand:	550	(11)	-	539
<b>Net funds</b>	<b>550</b>	<b>(11)</b>	<b>-</b>	<b>539</b>

**22. 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 Durham County Council. Both are defined benefit schemes.

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

Contributions amounting to £16,000 were payable to the scheme at 31 August 2015 (2014 - 15,000) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

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**22. PENSION COMMITMENTS (continued)**

- the assumed real rate of return is 3.0% in excess of prices and 2.0% 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 total contribution made to the TPS in the period amounted to £115,000 of which employer's contributions totalled £69,000 and employees' contributions totalled £46,000.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The 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 pension scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £71,000, of which employer's contributions totalled £53,000 and employees' contributions totalled £18,000. The agreed contribution rates for future years are 15.2% for employers and 5.5-12.5% 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 amounts recognised in the Balance sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(1,064)	(992)
Fair value of scheme assets	697	629
<b>Net liability</b>	<b>(367)</b>	<b>(363)</b>

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

	2015 £000	2014 £000
Current service cost	(63)	(60)
Interest on obligation	(39)	(44)
Expected return on scheme assets	36	32
<b>Total</b>	<b>(66)</b>	<b>(72)</b>
<b>Actual return on scheme assets</b>	<b>(20)</b>	<b>45</b>

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**22. PENSION COMMITMENTS (continued)**

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

	2015 £000	2014 £000
Opening defined benefit obligation	992	931
Current service cost	63	60
Interest cost	39	44
Contributions by scheme participants	18	16
Actuarial Gains	(47)	(58)
Benefits paid	(1)	(1)
	<hr/>	<hr/>
Closing defined benefit obligation	<u>1,064</u>	<u>992</u>

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

	2015 £000	2014 £000
Opening fair value of scheme assets	629	510
Expected return on assets	36	32
Actuarial gains and (losses)	(38)	13
Contributions by employer	53	59
Contributions by employees	18	16
Benefits paid	(1)	(1)
	<hr/>	<hr/>
	<u>697</u>	<u>629</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £5,000 gain (2014 - £4,000 loss).

The academy expects to contribute £55,000 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	49.10 %	55.30 %
Property	6.10 %	6.60 %
Government bonds	28.30 %	26.00 %
Corporate bonds	8.90 %	8.60 %
Cash	7.60 %	3.50 %

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

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Rate of increase in salaries	3.50 %	3.60 %
Rate of increase for pensions in payment	2.00 %	2.10 %
Inflation assumption (CPI)	2.00 %	2.10 %
Commutation of pensions to lump sums	80.00 %	75.00 %

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**22. PENSION COMMITMENTS (continued)**

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

	2015	2014
Retiring today		
Males	22.6	22.5
Females	25.1	25.0
Retiring in 20 years		
Males	24.8	24.7
Females	27.4	27.3

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

Defined benefit pension schemes

	2015 £000	2014 £000	2013 £000	2012 £000
Defined benefit obligation	(1,064)	(992)	(931)	(710)
Scheme assets	697	629	510	368
<b>Deficit</b>	<b>(367)</b>	<b>(363)</b>	<b>(421)</b>	<b>(342)</b>
Experience adjustments on scheme liabilities	47	58	17	
Experience adjustments on scheme assets	(38)	13		

**23. OPERATING LEASE COMMITMENTS**

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

	Land and buildings		Other	
	2015 £000	2014 £000	2015 £000	2014 £000
<b>Expiry date:</b>				
Between 2 and 5 years	-	-	2	2



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**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

VH Pace received £3,000 (2014 : £3,000) in respect of services provided for curriculum support for Modern Foreign Languages. VH Pace did not receive any payment from the Academy Trust in respect of her role as trustee.

In entering into the above transactions the trust has complied with the requirements of EFA's Academies Financial Handbook.

