

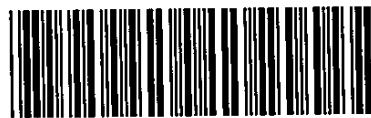
Registered number: 07606026

The Violet Way Academy

Annual Report and Financial Statements

For the Year Ended 31 August 2013

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The Violet Way Academy
(A company limited by guarantee)

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The Violet Way Academy
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Trustees and Advisers
For the Year Ended 31 August 2013

Trustees	A Goldstraw, Chairman ¹ J Smith, Vice Chairman ¹ J Copeman, Responsible Officer D Marshall, Head Teacher ¹ J Harrison ¹ L Bridge (resigned 31 March 2013) G Willett ¹ A Puntis (resigned 1 June 2013) L Evans P Diffey G Lomas (resigned 30 April 2013) I Mahmood ¹ Members of the Finance and General Purpose Committee
Company secretary	J Harrison
Senior Management Team	Head Teacher - D Marshall Deputy Head Teacher - L Bridge (resigned 31 March 2013) Business Manager - J Harrison
Company registered number	07606026
Principal and registered office	Violet Way Stapenhill Burton On Trent Staffordshire DE15 9ES
Independent auditors	Dains LLP Charlotte House Stanier Way The Wyvern Business Park Derby DE21 6BF
Bankers	Co-operative Bank P O Box 101 Balloon Street Manchester M60 4EP
Solicitors	Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES

The Violet Way Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2013

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Violet Way Academy (the academy and the group) for the ended 31 August 2013. The Trustees confirm that the Annual report and financial statements of the academy and the group comply with the current statutory requirements, the requirements of the academy and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

Constitution

The Violet Way Academy is a company limited by guarantee (07606026) and was incorporated by a Memorandum of Association on 15/04/2011. The Academy has exempt charity status and its principal regulator is the Department for Education (DfE).

The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as the trustees for the charitable activities of Violet Way Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Violet Way Academy.

Details of the trustees who served throughout 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.

Trustees' indemnities

Since the incorporation of the Charitable Company on 5 July 2011, the trustees (directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in note 15 to the financial statements the limit of this indemnity is £2,000,000.

Principal activities

The Academy Trust's object is specifically restricted to advance for public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of recruitment and appointment or election of Trustees

The method for appointing trustees is described in the Articles of Association point 50-65

Recruitment of Parent Trustees

When a vacancy occurs for a parent trustee a letter is sent out to all parents asking for nominations. Should there be more interest in the vacancy than the number available then a ballot will be held. The interested party will be asked to write a short piece and ballot papers will be circulated to all parents. These ballot papers will be returned to school in a sealed envelope. Two members from the governing body will then count the votes and the candidate with the highest number of votes will join the governing body.

Recruitment of Other Trustees

Individuals with a particular expertise may be invited to join the governing body, for example Health and Safety or Finance. Individuals also contact the school and offer their services as a trustee. In some cases trustees who have been parent trustees, may wish to continue in another capacity, particularly if they have expertise and knowledge in certain areas.

Policies and procedures adopted for the induction and training of Trustees

New Trustees

New trustees will receive a welcome pack that contains information about the academy. This includes the structure and organisation of the academy, academy improvement plan, latest Ofsted report and minutes of any relevant meetings. The new trustee will also be invited to have a tour of the school followed by a meeting with the Principal and Business Manager. In the case of a new finance trustee, a discussion with the Business Manager will include details of the latest budget and budget forecast.

New trustees will also be offered training. The Professional Development Coordinator (PDC) holds details of courses available. The Business Manager will also provide training pertaining to the finance system if required.

Existing Trustees

New training is brought to the attention of all trustees at full trustees meetings and they are free to book these with the PDC. On occasions the Principal will invite trustees to in-house training when applicable.

A training budget is provided for trustees.

Organisational structure

The Head Teacher is responsible for the day-to-day management of the school and is the accounting officer. The Senior Leadership Team take responsibility for development of the School Improvement Plan which ultimately drives the school budget.

The Head Teacher has delegated the management of and administration of the budget to the School Business Manager. The Head Teacher remains the key accounting officer.

The governing body are responsible for final decisions on budget administration and allocation.

Connected organisations, including related party relationships

For the period 1st September 2012 – August 2013 there were the following connected organisations

Violet Way Nursery and Care Club Limited

Risk management

The trustees have assessed the major risks to which the academy is exposed, with guidance from the Academies Financial Handbook. A risk register has been produced and will be reviewed annually by the governing body. This register includes sections specifically for

- 1 Financial Risk
- 2 Compliance Risk
- 3 Operational Risk
- 4 Strategic Risk

Objectives and Activities

Objects and aims

The Academy Trust's object is specifically restricted to the following

- To advance for public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum

Objectives, Strategies and Activities

- Total commitment to enabling every learner to reach their full potential
- Inspirational and challenging experiences for every child in a personalized context
- Opportunities for children to develop their individual strengths and interests
- Fostering positive attitudes, independence and enthusiasm for learning
- An emphasis on consideration for others, politeness and tolerance
- Recognition of the value of partnerships between home and the community
- Provision of a stimulating, caring, safe and efficiently run environment in which to work and play

Pupil achievements

The table below highlights the pupils achievements from 2011 – 2013 actual and 2014 target at the end of Key Stage 1

	2011 2b+ targets	2011 2b+ results	2011 Level 3 targets	2011 Level 3 results	2012 2b+ targets	2012 level 3 targets	2012 2b+ results	2012 level 3 results	2013 2b+ results	2013 level 3 results	2014 2b+ targets	2014 level 3 target
Speaking and Listening	100%	100%	40%	45%	100%	40%	99%	37%	99%	34%	100%	45%
Reading	87%	87%	40%	48%	85%	33%	85%	43%	90%	53%	90%	52%
Writing	83%	84%	30%	35%	83%	33%	83%	29%	89%	31%	90%	35%
Mathematics	96%	98%	40%	45%	96%	40%	98%	42%	96%	48%	97%	52%
Science	100%	100%	40%	37%	100%	40%	96%	41%	95%	43%	97%	45%

The school rigorously monitors pupil's attainment using a variety of assessment processes. OfSTED noted during the recent "Outstanding" inspection that "The Head teacher and senior leaders check the progress of each pupil frequently to identify individuals or small groups who are not doing as well as expected" (OfSTED 2012)

Public benefit

The 2 principles of Public Benefit as described by the Charity Commission are explained below

- Principle 1 There must be an identifiable benefit or benefits

The objectives, strategies and activities are described above

- Principle 2 Benefit must be to the public, or section of the public

The beneficiaries will be the pupils on roll at the academy who have been admitted in accordance with the admission criteria

Achievements and performance

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.

Financial review

Financial and risk management objectives and policies

A full financial statement is included with this report. The statement will confirm that the principal sources of funding were as follows:

Restricted Income	General Annual Grant Pupil Premium
-------------------	---------------------------------------

Unrestricted Income	Income generated by the Academy such as lettings and catering
---------------------	---------------------------------------------------------------

To support the school's aim of "developing a school offering a broad and balanced curriculum" the School Improvement Plan had identified development of the woodland and an art room. Expenditure during 2012-2013 does reflect

The Accounting Policy was adopted this year by the governing body.

Principal risks and uncertainties

The Risk Register is a comprehensive document and highlights many risks to which the academy may be exposed. The main risks would be falling numbers on roll. This would impact significantly on income. The mitigation of this is described in the Risk Register.

Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams. The needs to match them with commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements.

Investments policy

The Academy currently has no material investments.

Plans for the future

Future developments

It is not intended to change the aims as described in the Articles of Association.

Funds held as custodian

The Academy holds no funds on behalf of others as a custodian trustee.

**The Violet Way Academy
(A company limited by guarantee)**

**Trustees' Report (continued)
For the Year Ended 31 August 2013**

Disclosure of information to auditors


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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information

Auditors

The auditors, Dains LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by order of the board of trustees on 2 December 2013 and signed on its behalf by



A Goldstraw
Chair of Trustees

The Violet Way Academy
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Violet Way Academy 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 Head Teacher, 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 The Violet Way Academy 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
A Goldstraw	3	3
J Smith	2	3
J Copeman	2	3
D Marshall	3	3
J Harrison	3	3
L Bridge	2	3
G Willett	3	3
A Puntis	2	3
L Evans	1	3
P Diffey	2	3
G Lomas	0	2
I Mahmood	2	3

During the academic year 2012/2013 there were no new trustees; the remainder have been with the school some time, giving stability and experience to the management of the academy.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to monitor the financial activities of the Academy and make decisions relating to finance.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Goldstraw	3	3
G Willett	3	3
J Smith	2	3
D Marshall	3	3
J Harrison	3	3

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 The Violet Way Academy for the year 1 September 2012 to 31 August 2013 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 2012 to 31 August 2013 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 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 J Copeman, a Trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.


Review of Effectiveness

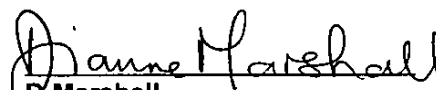
As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the Responsible Officer,
- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 2 December 2013 and signed on their behalf, by



A Goldstraw
Chair of Trustees

D Marshall
Accounting Officer

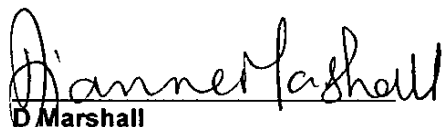
The Violet Way Academy
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Violet Way Academy 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 (2012)

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 (2012)

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date



D Marshall
Accounting Officer

Date 2 December 2013

**The Violet Way Academy
(A company limited by guarantee)**

**Trustees' Responsibilities Statement
For the Year Ended 31 August 2013**

The Trustees (who act as governors of The Violet Way Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction 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 the group 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

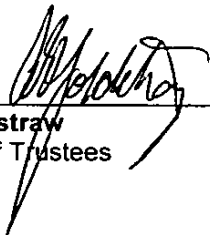
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 group will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group 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 the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group'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 2 December 2013 and signed on its behalf by


A Goldstraw
Chair of Trustees

The Violet Way Academy
(A company limited by guarantee)

Independent Auditors' Report to the Members of The Violet Way Academy

We have audited the financial statements of The Violet Way Academy for the year ended 31 August 2013 which comprise the statement of financial activities, the balance sheet, the cash flow statementthe group Statement of financial activities, the group and academy Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 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 group's and the parent 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. 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 group's and the parent charitable academy's affairs as at 31 August 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

The Violet Way Academy
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Independent Auditors' Report to the Members of The Violet Way Academy

Opinion on other matter prescribed by the Companies Act 2006

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

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

- the parent charitable academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable academy 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



Lisa Richards FCCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby
2 December 2013

The Violet Way Academy
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to The Violet Way Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 30 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Violet Way Academy during the year 1 June 2011 to 31 August 2013 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 The Violet Way Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Violet Way Academy 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 Violet Way Academy and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of The Violet Way Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Violet Way Academy's funding agreement with the Secretary of State for Education dated 1 June 2011, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. 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 June 2011 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 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's income and expenditure.

The Violet Way Academy
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to The Violet Way Academy 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 year 1 June 2011 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Daine LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby

2 December 2013

The Violet Way Academy
(A company limited by guarantee)

Statement of Financial Activities,
(including income and expenditure account and statement of total recognised gains and losses)
For the Year Ended 31 August 2013

	Note	Unrestricted funds 2013 £	Restricted general funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Incoming resources						
Incoming resources from generated funds						
Voluntary income - transfer from Local Authority on conversion	3	-	-	-	-	2,632,891
Voluntary income	3	176,357	-	-	176,357	28,087
Activities for generating funds	5	343,675	101,544	-	445,219	192,085
Investment income	6	13	-	-	13	47
Incoming resources from charitable activities	7					
Funding for the academy trust's educational operations		-	1,120,035	2,979	1,123,014	1,400,635
Total incoming resources		520,045	1,221,579	2,979	1,744,603	4,253,745
Resources expended						
Costs of generating funds						
Fundraising trading	5	203,045	-	-	203,045	-
Charitable activities						
Academy trust educational operations	10	2,078	1,186,252	88,404	1,276,734	1,531,762
Governance costs	11	-	8,950	-	8,950	15,930
Total resources expended	8	205,123	1,195,202	88,404	1,488,729	1,547,692
Net incoming resources before transfers		314,922	26,377	(85,425)	255,874	2,706,053
Transfers between funds	20	-	(35,692)	35,692	-	-
Net incoming resources before revaluations		314,922	(9,315)	(49,733)	255,874	2,706,053
Actuarial gains/(losses) on defined benefit pension schemes	25	-	18,000	-	18,000	(99,000)
Net movement in funds for the year		314,922	8,685	(49,733)	273,874	2,607,053
Total funds at 1 September 2012		78,653	(456,119)	2,984,519	2,607,053	-
Total funds at 31 August 2013	20	393,575	(447,434)	2,934,786	2,880,927	2,607,053
All activities relate to continuing operations						

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities

The notes on pages 21 to 43 form part of these financial statements

The Violet Way Academy
(A company limited by guarantee)
Registered number: 07606026

Consolidated Balance Sheet
As at 31 August 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	16		2,934,786		2,984,519
Current assets					
Debtors	18	40,495		49,909	
Cash at bank and in hand		458,358		106,553	
		498,853		156,462	
Creditors: amounts falling due within one year	19	(58,712)		(34,928)	
Net current assets			440,141		121,534
Total assets less current liabilities			3,374,927		3,106,053
Defined benefit pension scheme liability	25		(494,000)		(499,000)
Net assets including pension scheme liabilities			2,880,927		2,607,053
Funds of the academy					
Restricted general funds					
Restricted general funds	20	46,566		42,881	
Pension reserve	20	(494,000)		(499,000)	
Restricted fixed asset funds	20	2,934,786		2,984,519	
Total restricted general funds			2,487,352		2,528,400
Unrestricted funds	20		393,575		78,653
Total funds			2,880,927		2,607,053

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2013 and are signed on their behalf, by


A Goldstraw
Chair of Trustees

The notes on pages 21 to 43 form part of these financial statements

The Violet Way Academy
(A company limited by guarantee)
Registered number: 07606026

Academy Balance Sheet
As at 31 August 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	16		2,934,786		2,984,519
Investments	17		1		-
			<u>2,934,787</u>		<u>2,984,519</u>
Current assets					
Debtors	18	278,255		49,909	
Cash at bank and in hand		220,597		106,553	
		<u>498,852</u>		<u>156,462</u>	
Creditors: amounts falling due within one year	19	(58,711)		(34,928)	
Net current assets			<u>440,141</u>		<u>121,534</u>
Total assets less current liabilities			<u>3,374,928</u>		<u>3,106,053</u>
Defined benefit pension scheme liability	25	(494,000)		(499,000)	
Net assets including pension scheme liabilities			<u><u>2,880,928</u></u>		<u><u>2,607,053</u></u>
Funds of the academy					
Restricted general funds					
Restricted general funds	20	46,566		42,881	
Pension reserve	20	(494,000)		(499,000)	
Restricted fixed asset funds	20	<u>2,928,759</u>		<u>2,984,519</u>	
Total restricted general funds			<u>2,481,325</u>		<u>2,528,400</u>
Unrestricted funds	20		<u>399,603</u>		<u>78,653</u>
Total funds			<u><u>2,880,928</u></u>		<u><u>2,607,053</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2013 and are signed on their behalf, by


A Goldstraw
 Chair of Trustees

The notes on pages 21 to 43 form part of these financial statements

The Violet Way Academy
(A company limited by guarantee)

Consolidated Cash Flow Statement
For the Year Ended 31 August 2013

		31 August 2013	15 Months ended 31 August 2012
	Note	£	£
Net cash flow from operating activities	22	387,484	175,180
Returns on investments and servicing of finance	23	13	47
Capital expenditure and financial investment	23	(35,692)	(68,674)
Increase in cash in the year		351,805	106,553

Reconciliation of Net Cash Flow to Movement in Net Funds
For the Year Ended 31 August 2013

	31 August 2013	15 Months ended 31 August 2012
	£	£
Increase in cash in the year	351,805	106,553
Movement in net funds in the year	351,805	106,553
Net funds at 1 September 2012	106,553	-
Net funds at 31 August 2013	458,358	106,553

The notes on pages 21 to 43 form part of these financial statements

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable United Kingdom Accounting Standards and the Companies Act 2006.

1.2 Basis of consolidation

The financial statements consolidate the accounts of The Violet Way Academy and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 and paragraph 397 of the SORP not to present its own Income and expenditure account.

1.3 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. Accounting Policies (continued)

1.4 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 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 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.

Donated services and gifts in kind

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

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 in which it is receivable and to the extent the goods have been provided or on completion of the service.

1. Accounting Policies (continued)

1.5 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

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

Charitable activities

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

Governance costs

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.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 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 Consolidated 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 Consolidated 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.

On the 1st June 2011, the freehold title of the school site was transferred to the Academy. As the school is a specialised property, as defined in Financial Reporting Standard Number 15 - Tangible Fixed Assets, this freehold property has been valued in the accounts on a Depreciated Replacement Cost basis.

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

Freehold property	-	2% straight line
Freehold property improvements	-	10% straight line
Fixtures, fittings and equipment	-	20% straight line
Computer equipment	-	33% straight line

1. Accounting Policies (continued)

No depreciation is charged on freehold land

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.7 Investments

The academy's shareholding in wholly owned subsidiary, Violet Way Nursery and Care Club Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.9 Taxation

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

1. Accounting Policies (continued)

1.10 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.11 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 the Department of Education and the Education Funding Agency 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 of Education and the Education Funding Agency.

1.12 Transfers between funds

Transfers between funds relate to fixed asset purchase from GAG and unrestricted funds.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2013.

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2013

3. Voluntary income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Voluntary income - transfer from Local Authority on conversion	-	-	-	2,632,891
Donations	700	-	700	28,087
Transfer from Violet Lane Infants School Nursery fund	120,644	-	120,644	-
Transfer from Violet Lane Infants School Out of School Care Club fund	55,013	-	55,013	-
Subtotal	176,357	-	176,357	28,087
Voluntary income	176,357	-	176,357	2,660,978

4 Commercial trading operations and investment in trading subsidiary

The charity has a wholly owned trading subsidiary (Violet Way Nursery and Care Club Limited) which is incorporated in England and Wales

A summary of the trading results is shown below

	2013 £
Charity trading income	
Turnover	297,011
Total income	297,011
Fundraising trading expenses	
Administrative expenses	234,907
Gift to parent	62,104
Total costs	297,011
Net income from commercial trading operations	-

The Violet Way Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2013

5. Activities for generating funds

	Unrestricted funds 2013 £	Restricted general funds 2013 £	Total funds 2013 £	Total funds 2012 £
Catering income	-	101,544	101,544	107,189
Lettings income	24,423	-	24,423	21,849
Other income	22,241	-	22,241	63,047
Nursery and care club income	297,011	-	297,011	-
	<u>343,675</u>	<u>101,544</u>	<u>445,219</u>	<u>192,085</u>
Fundraising trading expenses				
Nursery and care club costs	203,045	-	203,045	-
Net income from activities for generating funds	<u>140,630</u>	<u>101,544</u>	<u>242,174</u>	<u>192,085</u>

6. Investment income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Interest receivable	<u>13</u>	<u>-</u>	<u>13</u>	<u>47</u>

7 Funding for Academy's educational operations

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
General Annual Grant	-	1,044,179	1,044,179	1,301,124
Start up grants	-	-	-	25,000
Capital grants	-	2,979	2,979	7,173
Pupil premium	-	49,184	49,184	23,524
Rates grant	-	4,092	4,092	1,591
Mainstream grants	-	-	-	26,538
Insurance grant	-	19,780	19,780	15,685
WGA grants	-	2,800	2,800	-
	<u>-</u>	<u>1,123,014</u>	<u>1,123,014</u>	<u>1,400,635</u>

The Violet Way Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2013

8. Analysis of resources expended by expenditure type

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Fundraising expenses	138,532	-	64,513	203,045	-
Costs of generating funds	138,532	-	64,513	203,045	-
Direct costs	629,284	53,799	65,291	748,374	974,956
Support costs	261,775	173,621	92,964	528,360	556,806
Charitable activities	891,059	227,420	158,255	1,276,734	1,531,762
Governance	-	-	8,950	8,950	15,930
	1,029,591	227,420	231,718	1,488,729	1,547,692

9 Analysis of resources expended by activities

	Direct costs 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Educational Operations	748,374	528,360	1,276,734	1,531,762

The Violet Way Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2013

10. Charitable Activities - Academy's Educational Operations

	Unrestricted funds 2013 £	Restricted general funds 2013 £	Total funds 2013 £	Total funds 2012 £
Direct costs				
Wages and salaries	-	521,013	521,013	691,632
National insurance	-	38,204	38,204	53,812
Pension cost	-	70,067	70,067	92,834
Depreciation	-	53,779	53,779	63,493
FRS17 Pension cost	-	16,000	16,000	19,000
Educational supplies	-	34,216	34,216	39,380
Staff development	-	6,945	6,945	5,416
Educational consultancy	-	2,261	2,261	7,895
Recruitment and support	-	5,889	5,889	1,494
	-	748,374	748,374	974,956
Support costs				
Wages and salaries	-	207,882	207,882	259,991
National insurance	-	11,389	11,389	9,871
Pension cost	-	42,504	42,504	40,893
Depreciation	-	34,625	34,625	23,484
School fund costs	2,078	-	2,078	18,986
Maintenance of premises	-	68,453	68,453	64,575
Maintenance of equipment	-	17,660	17,660	9,978
Cleaning	-	4,123	4,123	4,292
Rates	-	3,132	3,132	5,760
Water rates	-	3,828	3,828	4,453
Energy	-	22,836	22,836	14,005
Insurance	-	18,964	18,964	24,542
Technology costs	-	14,378	14,378	227
Other occupancy costs	-	76,508	76,508	75,749
	2,078	526,282	528,360	556,806
	2,078	1,274,656	1,276,734	1,531,762

The Violet Way Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2013

11. Governance costs

	Unrestricted funds 2013 £	Restricted general funds 2013 £	Total funds 2013 £	Total funds 2012 £
Auditors' remuneration	-	5,400	5,400	5,400
Auditors' non audit remuneration	-	1,550	1,550	1,000
Legal and professional fees	-	2,000	2,000	9,530
	<u>-</u>	<u>8,950</u>	<u>8,950</u>	<u>15,930</u>

12. Net incoming resources

This is stated after charging

	31 August 2013 £	15 Months ended 31 August 2012 £
Depreciation of tangible fixed assets		
- owned by the charitable group	88,404	86,977
Auditors' remuneration	5,400	5,400
Auditors' non audit remuneration	1,550	1,000
	<u>88,404</u>	<u>86,977</u>

The Violet Way Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2013

13. Staff costs

Staff costs were as follows

	31 August 2013 £	15 Months ended 31 August 2012 £
Wages and salaries	867,427	951,623
Social security costs	49,593	63,683
Other pension costs (Note 25)	112,571	133,727
	<u>1,029,591</u>	<u>1,149,033</u>

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

	31 August 2013 No.	15 Months ended 31 August 2012 No
Teachers	9	9
Administration and support	18	20
	<u>27</u>	<u>29</u>

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

	31 August 2013 No.	31 August 2012 No
In the band £80,001 - £90,000	<u>1</u>	<u>1</u>

The employee participated in the Teacher's Pension Scheme and contributions totalled £10,258 (2012 - £12,537) in the period ended 31 August 2013

The Violet Way Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2013

14. Trustees' remuneration and expenses

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

	31 August 2013 £	31 August 2012 £
D Marshall (Head teacher)	80,000-85,000	100,000-105,000
L Bridge (Staff trustee)	30,000-35,000	50,000-55,000
J Harrison (Staff trustee)	50,000-55,000	50,000-55,000
I Mahmood (Staff trustee)	40,000-45,000	35,000-40,000
P Wallace (Staff trustee)	n/a	15,000-20,000

The Head Teacher and other staff Trustees remuneration is also in respect of the services they provide in relation to the management and administration of the nursery, after school club and catering facilities, whose results are included within these financial statements. During the year there was 106 places in the nursery and 80 places for the after school club, which help generate funds for the academy.

During the year, no Trustees received any benefits in kind (2012 - £NIL)

During the year, no Trustees received any reimbursement of expenses (2012 - £NIL)

15. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £582 (2012 - £582).

The cost of this insurance is included in the total insurance cost.

The Violet Way Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2013

16. Tangible fixed assets

Group and Academy	Freehold land and property £	Freehold property improvements £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2012	2,938,408	58,807	13,200	61,081	3,071,496
Additions	-	20,702	6,445	11,524	38,671
At 31 August 2013	2,938,408	79,509	19,645	72,605	3,110,167
Depreciation					
At 1 September 2012	54,451	5,880	3,300	23,346	86,977
Charge for the year	54,451	6,973	3,623	23,357	88,404
At 31 August 2013	108,902	12,853	6,923	46,703	175,381
Net book value					
At 31 August 2013	2,829,506	66,656	12,722	25,902	2,934,786
At 31 August 2012	2,883,957	52,927	9,900	37,735	2,984,519

Included in land and property is freehold land at a valuation of £215,841 which is not depreciated

17. Fixed asset investments

Academy	Shares in group undertakings £
Market value	
At 1 September 2012	-
Additions	1
At 31 August 2013	1

18. Debtors

	Group		Academy	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	306	518	306	518
Amounts owed by group undertakings	-	-	237,760	-
Other debtors	19,670	48,491	19,670	48,491
Prepayments and accrued income	20,519	900	20,519	900
	40,495	49,909	278,255	49,909

The Violet Way Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2013

19. Creditors:
Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	-	59	-	59
Other taxation and social security	13,770	15,483	13,770	15,483
Other creditors	13,085	12,986	13,085	12,986
Accruals and deferred income	31,857	6,400	31,856	6,400
	<u>58,712</u>	<u>34,928</u>	<u>58,711</u>	<u>34,928</u>

	<u>Group</u>	<u>Academy</u>
	£	£
Deferred income		
Resources deferred during the year	<u>4,171</u>	<u>4,171</u>

At the balance sheet date the academy trust was holding grant income received in advance for the period to 31 March 2014

The Violet Way Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2013

20. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	75,973	46,680	-	-	-	122,653
School funds	2,680	697	(2,078)	-	-	1,299
Nursery and Care Club funds	-	472,668	(203,045)	-	-	269,623
	<u>78,653</u>	<u>520,045</u>	<u>(205,123)</u>	<u>-</u>	<u>-</u>	<u>393,575</u>
Restricted funds						
General Annual Grant (GAG)	42,881	1,046,161	(1,006,784)	(35,692)	-	46,566
Pension reserve	(499,000)	-	(13,000)	-	18,000	(494,000)
Other DfE/EFA grants	-	73,874	(73,874)	-	-	-
Other restricted income	-	101,544	(101,544)	-	-	-
	<u>(456,119)</u>	<u>1,221,579</u>	<u>(1,195,202)</u>	<u>(35,692)</u>	<u>18,000</u>	<u>(447,434)</u>
Restricted fixed asset funds						
DfE/EFA capital grants	2,984,519	2,979	(88,404)	35,692	-	2,934,786
Total restricted funds	<u>2,528,400</u>	<u>1,224,558</u>	<u>(1,283,606)</u>	<u>-</u>	<u>18,000</u>	<u>2,487,352</u>
Total of funds	<u><u>2,607,053</u></u>	<u><u>1,744,603</u></u>	<u><u>(1,488,729)</u></u>	<u><u>-</u></u>	<u><u>18,000</u></u>	<u><u>2,880,927</u></u>

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

Restricted general funds

This fund represents grants and other income received for the Academy's operational activities and development

Pension reserve

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund

Restricted fixed asset funds

This fund represents grants received from the DfE and EFA to carry out works of a capital nature

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

The Violet Way Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2013

20. Statement of funds (continued)

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	78,653	520,045	(205,123)	-	-	393,575
Restricted funds	(456,119)	1,221,579	(1,195,202)	(35,692)	18,000	(447,434)
Restricted fixed asset funds	2,984,519	2,979	(88,404)	35,692	-	2,934,786
	<u>2,607,053</u>	<u>1,744,603</u>	<u>(1,488,729)</u>	<u>-</u>	<u>18,000</u>	<u>2,880,927</u>

21. Analysis of net assets between funds

	Unrestricted funds 2013 £	Restricted general funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	2,934,786	2,934,786	2,984,519
Current assets	393,575	101,107	4,171	498,853	156,462
Creditors due within one year	-	(54,541)	(4,171)	(58,712)	(34,928)
Provisions for liabilities and charges	-	(494,000)	-	(494,000)	(499,000)
	<u>393,575</u>	<u>(447,434)</u>	<u>2,934,786</u>	<u>2,880,927</u>	<u>2,607,053</u>

22. Net cash flow from operations

	31 August 2013 £	15 Months ended 31 August 2012 £
Net incoming resources before revaluations	255,874	2,706,053
Returns on investments and servicing of finance	(13)	(47)
Non cash gift from local authority	-	(2,592,307)
Depreciation of tangible fixed assets	88,404	86,977
Capital grants from DfE	(2,979)	(13,153)
Capital donations	-	(12,362)
Increase in debtors	9,414	(49,909)
Increase in creditors	23,784	34,928
FRS 17 adjustments - pension costs for LGPS scheme	13,000	15,000
Net cash inflow from operations	<u>387,484</u>	<u>175,180</u>

The Violet Way Academy
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Notes to the Financial Statements
For the Year Ended 31 August 2013

23. Analysis of cash flows for headings netted in cash flow statement

	31 August 2013 £	15 Months ended 31 August 2012 £
Returns on investments and servicing of finance		
Interest received	<u>13</u>	<u>47</u>
	31 August 2013 £	15 Months ended 31 August 2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(38,670)	(94,189)
Purchase of unlisted and other investments	(1)	-
Capital grants from DfE	2,979	13,153
Capital donations	-	12,362
Net cash outflow capital expenditure	<u>(35,692)</u>	<u>(68,674)</u>

24. Analysis of changes in net funds

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	<u>106,553</u>	<u>351,805</u>	-	<u>458,358</u>
Net funds	<u>106,553</u>	<u>351,805</u>	-	<u>458,358</u>

25. Pension commitments

The group'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 Staffordshire 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 2004 and of the LGPS 31 March 2010

Contributions amounting to £13,022 were payable to the scheme at 31 August 2013 (2012 - 12,986) 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) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament 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 under arrangements governed by the above Act

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

25. Pension commitments (continued)

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

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25 Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £92,000, of which employer's contributions totalled £73,000 and employees' contributions totalled £19,000. The agreed contribution rates for future years are 19.5% for employers and 5.5 - 7.5% 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:

	31 August 2013 £	15 Months ended 31 August 2012 £
Present value of funded obligations	(1,098,000)	(941,000)
Fair value of scheme assets	604,000	442,000
Net liability	<u>(494,000)</u>	<u>(499,000)</u>

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

	31 August 2013 £	15 Months ended 31 August 2012 £
Current service cost	(70,000)	(70,000)
Interest on obligation	(40,000)	(51,000)
Expected return on scheme assets	24,000	32,000
Total	<u>(86,000)</u>	<u>(89,000)</u>
Actual return on scheme assets	<u>70,000</u>	<u>15,000</u>

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25. Pension commitments (continued)

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

	31 August 2013 £	15 Months ended 31 August 2012 £
Opening defined benefit obligation	941,000	-
Current service cost	70,000	70,000
Interest cost	40,000	51,000
Contributions by members	19,000	22,000
Liabilities assumed in a business combination	-	717,000
Actuarial losses	28,000	81,000
	<u>1,098,000</u>	<u>941,000</u>
Closing defined benefit obligation	<u>1,098,000</u>	<u>941,000</u>

Movements in the fair value of the group's share of scheme assets

	31 August 2013 £	15 Months ended 31 August 2012 £
Opening fair value of scheme assets	442,000	-
Expected return on assets	24,000	32,000
Contribution by employer	73,000	74,000
Contributions by employees	19,000	22,000
Assets acquired in a business combination	-	332,000
Actuarial gains and (losses)	46,000	(18,000)
	<u>604,000</u>	<u>442,000</u>
	<u>604,000</u>	<u>442,000</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £18,000 (2012 loss - £99,000)

The group expects to contribute £80,000 to its Defined benefit pension scheme in 2014

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25. Pension commitments (continued)

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

	2013	2012
Equities	77.00 %	76 00 %
Bonds	12.00 %	13 00 %
Property	8.00 %	9 00 %
Cash	3.00 %	2 00 %

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4 10 %
Expected return on scheme assets at 31 August	6.00 %	4 90 %
Rate of increase in salaries	5.10 %	4 50 %
Rate of increase for pensions in payment / inflation	2 80 %	2 20 %

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

	2013	2012
Retiring today		
Males	21.2	21 2
Females	23.4	23 4
Retiring in 20 years		
Males	23.3	23 3
Females	25.6	25 6

Amounts for the current and previous period are as follows

Defined benefit pension schemes

	2013 £	2012 £
Defined benefit obligation	(1,098,000)	(941,000)
Scheme assets	604,000	442,000
Deficit	<u>(494,000)</u>	<u>(499,000)</u>

26 Operating lease commitments

At 31 August 2013 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
Group	2013 £	2012 £	2013 £	2012 £
Expiry date:				
Between 2 and 5 years	-	-	7,913	7,913

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27 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

28. 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 trustees 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

No related party transactions took place in the period ended 31 August 2013

29 Controlling party

The charity is controlled by the Board of Governors

30. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Violet Way Nursery and Care Club Limited	England	100%	Provision of nursery care