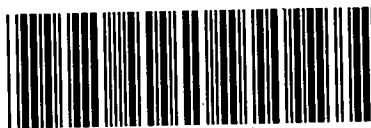


APPLECROFT SCHOOL

GOVERNORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Members/Trustees	Ms C Forbes, Chair [†] Ms M Woodliffe, Vice Chair [†] Ms V Parsey, Headteacher (resigned 31 August 2014) [†] Mr B Judge, Community Governor (resigned 17 June 2014) [†] Mr M Jolly, Parent Governor Ms S Boulton, Staff Governor
Trustees	Ms N Oxenham, Acting Headteacher (appointed 1 September 2014) Ms M O'Donovan, Community Governor (resigned 4 September 2013) Revd J Fennell, Community Governor Ms R Barden, Parent Governor [†] Mr D Parker, Parent Governor (resigned 18 May 2014) [†] Mr N Gallacher, Staff Governor Mr N Lofthouse, Parent Governor (appointed 24 June 2014) [†] Mr B Towndrow, Community Governor (appointed 1 July 2014) Ms F Wadley, Parent Governor (appointed 1 July 2014) [†] Ms L Abrahams-Green, Parent Governor (appointed 1 July 2014) Ms L Lamaison, Staff Governor (appointed 1 July 2014)
	[†] Member of the Finance Committee
Company registered number	07917745
Principal and registered office	Applecroft Road Welwyn Garden City Hertfordshire AL8 6JZ
Company secretary	Ms Sharon Draycott
Acting Headteacher	Ms N Oxenham
Senior management team	Ms N Oxenham, Acting Headteacher Mr P Wyatt, Assistant Head Ms S Boulton, Assessment Leader Ms N Brazier, SEND Coordinator
Independent auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees present their annual report together with the financial statements and auditors' report of Applecroft Academy Trust (the Charitable Company) for the year ended 31 August 2014. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The Charitable Company operates an academy for pupils aged 3-10 serving the catchment area of Welwyn Garden City. It has a pupil capacity of 480 and a roll of 446 in the 2014 school census.

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 its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is also known as Applecroft School.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section 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.

Trustee and Officers' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

Method of recruitment and appointment or election of Trustees

- Parent Governors are appointed by election of parents of students attending the Academy.
- Staff Governors are appointed by election of staff employed by the Academy.
- Community Governors may be appointed by the Governing Body.
- Member Governors may be appointed directly by members.
- The Principal automatically becomes an ex officio governor.
- Further Governors may be appointed by the Secretary of State.

Policies and Procedures adopted for the induction and training of Trustees

There is normally only a small number (one or two) of new governors appointed in a year and as the backgrounds of individual Governors differs hugely. Induction tends to be informal and is tailored to the needs of the individual. However, in 2014, we saw significant change in our Governing Body membership. One governor resigned, one governor's term lapsed and did not seek to be re-elected, and two governors stood for re-election. The Governing Body recognises the increased commitment and workload associated with an academy and the need to strengthen the team with the Head Teacher moving to a new opportunity in September 2014. Four new governors joined the Governing Body, increasing the previous number by 3; this was consistent with the Academy Memorandum and Articles of Association.

New Governors have received training, through an important financial training session ensuring financial obligations and accountabilities are understood. A collaborative session was also conducted with staff and Governors to discuss the vision and values of the school. Where necessary, training will be provided on educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students.

The Chair and Vice Chair of Governors will typically meet with new Governors to discuss broadly the governance obligations and commitments required of a new Governor.

Training for all new Governors is offered by Herts County Council. All new Governors are encouraged to attend new governor induction training.

All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Organisational Structure

The Governing Body, which meets on at least 5 occasions per year, is responsible for the strategic direction of the Academy. The Governing Body reviews progress towards educational objectives and results. They also approve major expenditure requests, set general policy, review and monitor Academy financials, approve the budget for the following year, review and approve the organisational staffing structure, agree the performance objectives of the Head Teacher with the School Improvement Partner, and review them.

The full Governing Body delegates certain of its functions to: the Finance, HR and Audit Committee and Premises Committee. Some meetings are also attended by members of the Academy's Senior Leadership Team (SLT). All major decisions relating to the Annual Budget will be presented to the Full Governing Body and fully ratified at this level.

The Head Teacher (and from 1 September 2014 the Acting Head Teacher) is an ex officio Governor and member of the trust, and is the accounting officer. The Head Teacher directly line manages the members of the SLT, which for the 2013/14 academic year comprised of two Assistant Head Teachers. As a group, the SLT are responsible for the day to day operation of the Academy – in particular the curriculum strategy, organising the teaching and non-teaching staff, facilities and students. The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Head Teacher has overall responsibility for the day to day financial management of the Charitable Company. The Head Teacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

Connected Organisations and Related Parties

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 governor 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.

Applecroft is involved in several active partnerships with a host of schools and agencies. The school is a designated NLE/NSS which means they actively support designated schools that require intensive support. This is usually within Hertfordshire Authority.

The Academy has a partnership (Handside Schools' Partnership) with a local Secondary and Special School. The schools have worked closely to enable children to participate in joint curriculum projects.

The Academy is involved with a cluster of primary and secondary schools in the Welwyn Garden City area of Hertfordshire. Several sporting events covering football, netball, athletics, cross country are arranged throughout the academic year.

During 2013/14 the Academy is an alliance member of two teaching schools in Hertfordshire. The school has led on various aspects to benefit the teaching alliance. At present Applecroft is leading on the creative aspect and working closely with the Royal Opera House.

Through the West Herts Teaching Alliance, Applecroft has entered into an agreement with Nottingham University to train teachers. The SCITT programme enables students to be placed in a school for an academic year whilst working towards qualified teacher status.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and aim of the Charitable Company is the operation of Applecroft School to be an inclusive school, valuing everyone and providing opportunities to fulfil each individual's potential.

- To provide a broad and balanced curriculum that explores knowledge, nourishes creativity and encourages independence.
- To encourage happy, confident, learning for life.
- To provide a safe, secure and stimulating environment in which everyone can feel happy and cared for.
- We respect and value each other, our environment and ourselves.
- We aim for Applecroft to be a diverse, active, committed, all inclusive, happy community both within and beyond the school.
- To be a self evaluating school

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Strategies and Activities

During the year the school has worked towards achieving these aims by:

- Improving the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- Providing value for money for the funds expended;
- Complying with all appropriate statutory and curriculum requirements;
- High quality tuition and learning opportunities for all students to attain excellent SAT results.
- Ensuring 100% qualified teacher coverage at all levels within the school in order to maintain our high standard of education provision.
- We strive to maintain the outstanding progress made at the end of KS2 as reflected in our SATs results.
- To continually develop the curriculum, enabling pupils to apply their acquired knowledge in a broad and creative way.
- Training opportunities for all staff, and especially teaching staff.
- A programme of extra-curricular after school clubs and activities for all students to deliver a broader curriculum.
- Recruited a School Business Manager to ensure the highest level of financial management and value is delivered on an on-going basis.
- Conducting the Academy's business in accordance with the highest standards of integrity

At Applecroft School we aim to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

We develop our rich and varied curriculum to capture the hearts and minds of our children in broad, diverse and creative ways. We recognise that every child is different and we use as many media and methods as possible to ensure we offer inclusive opportunities to enable high standards of progress and attainment. Our curriculum is progressive and builds on prior knowledge and skills each year.

We operate extensive assessment for learning through summative benchmarks, Feedback and next steps, knowing each and every child, clear communication of learning objectives to understand what we are learning, ensuring every child understands what success feels like, self-assessment, classroom assessment and summative and formative assessment. In addition Applecroft complete all statutory tests and assessments in accordance with national guidance.

Public Benefit

The Trustees believe that by working towards the objects and aims of the school as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The Academy has operated in accordance with its funding agreement and appeals as a non-charging, not for profit organisation throughout the period in question. Pupil admissions to the Academy have been conducted in accordance with the Hertfordshire County Council Admissions Policy.

STRATEGIC REPORT

Achievements and performance

The Academy measures its success partly through a series of performance indicators. These indicators comprise:

- Academy popularity/admissions
- Outstanding Ofsted
- SATs results and other indicators of student progress
- Staff performance monitoring
- Financial Health
- Staff turnover

Examination results for 2014 were very pleasing:

- 98% of students achieved level 2+ results grades in English & Maths at the end of KS1.
- Students achieved level 4+ results grades in English (Reading 98% and Writing 95%) & Maths 98% at the end of KS2, therefore level 4+ in English and Maths totalled 95%.
- Students achieved level 5+ results grades in Reading 78%, Writing 56% and Maths 66% at the end of KS2, therefore level 5+ in English and Maths totalled 78%
- Students achieved level 6+ results grades in Maths 20.3%, Writing 6.8%, Grammar 13.6% at the end of KS2.

APPLECROFT PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

To ensure standards are continually raised, the Academy:

- Operates a programme of lesson observations
- Operates a programme of learning walks
- Operates a programme of appraisal reviews
- Tracks and tackles underachievement as indicated by a number of measures (for example, by subject, class, student)
- Ongoing data analysis at class, year, key stage and faculty levels
- Employs an external adviser (HIP)
- School Plan
- Self Evaluation document

Key Performance Indicators

The Governors receive monthly monitoring reports which are reviewed and discussed at the finance committee. Continual assessment against policies, aims and financial budgets is undertaken to ensure effective management of Grants and Funds received.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2014 were 477 (2013: 446). Applecroft continues to be an extremely popular school and is heavily oversubscribed within our community.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2013/14 this was 68.6% (budget – 79.86%).

Going concern

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

FINANCIAL REVIEW

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the EFA. In addition the Academy received £11,831.00 funding through the former Head Teacher's consultancy work and private hiring of the school and its premises of £12,167.

For the year ended 31 August 2014 the Trust received £1,466,368 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Academy Trust spent virtually all of its restricted funds with the exception of £45,619 but had a surplus of £73,224 from its unrestricted funds carrying a surplus of £500,821 forward.

Reserves policy

The Directors are aware of the requirement to balance current and future needs. The Directors always aim to set a balanced budget with annual income balancing annual expenditure.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £500,821. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

In addition to a contingency of £150,000 to cover unexpected or emergency expenditure, the Governors have decided to hold the additional reserves to cover expenditure which may be required if the school takes up any of the exciting opportunities noted in Plans for Future Periods below.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £640,427. The Governors have determined that they should hold a cash contingency equivalent to two weeks' expenditure, approximately £80,000.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant pension fund deficit of £2,721,361. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cashflow effect in the form of increased employer contributions over a number of years.

APPLECROFT PRIMARY SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Investment policy

An Investment Policy was approved by the Full Governing body in November 2013.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Academy does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity. This contingency is managed through an insurance which is in place to cover a majority of these risks.

The Directors assess the other principal risks and uncertainties facing the Trust as follows:

- The Head Teacher moved to a new opportunity to lead a Multi Academy Trust. The Governing body are seeking to appoint a new head. They are determined to appoint an individual who will continue to lead Applecroft in its success, this decision will not be rushed at the detriment of the school. A contingency plan has been implemented and the school is being led by one of the Assistant Heads in an acting capacity and other staff roles have been restructured to maintain the outstanding education service provided within the community.
- The academy has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks and have recently appointed a School Business Manager to strengthen this further.
- Reputational - the continuing success of the academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed. We have seen no diminution in student and parental enthusiasm. The school has been oversubscribed for many years and there is every sign of this continuing.
- Loss of Outstanding status. Applecroft School is considered outstanding in every category. The School conducts regular self evaluation to ensure that it "strives to excel" in every area of its educational provision. External reviews and data confirm we are still maintaining our standards.
- Staff recruitment: conversion to academy status has not affected the attractiveness of the Academy to potential new staff. Currently maintaining 100% of qualified teachers in the classroom.
- The Academy's IT infrastructure is protected through installation of appropriate security procedures which are regularly updated ensuring protection of school data and safeguarding of students within the network. A disaster recovery strategy is in place.
- Disaster recovery and protection – The Academy has taken various insurance policies to mitigate any financial and business risk is protected wherever possible.
- Safeguarding and child protection – the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

The academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

APPLECROFT PRIMARY SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

PLANS FOR FUTURE PERIODS

The Academy will continue striving to improve the level of performance of its students at all levels, and will maintain its popularity within its community leading to a strong pupil subscription in future years.

The Academy plans to consider a number of exciting opportunities in support of its forward thinking approach to education. This is to encourage and support our ethos of being a leading edge school who wish to implement and consider initiatives in line with the latest educational thinking, provision of a best practice service to advance education whether it is in support of communities locally, nationally or at a global level. The school will continue to share best practices that are applied within Applecroft which ensure maintenance of its outstanding Ofsted status.

The Governors have fully supported the recruitment of a School Business Manager, and plan to recruit an innovative and passionate Head teacher to continue to deliver successful outcomes within our community.

PROVISION OF INFORMATION TO AUDITORS

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware, and
- The Trustees have taken all the 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.

The auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

This report was approved by order of the Governing Body on 17.12.2014 and signed on the board's behalf by:



Ms C Forbes
Chair of Governors

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that 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 Governing Body 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 Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The Governing Body has formally met 7 times during the year. The main items discussed during the year related to integrating the significant number of new governors and the impact of the resignation of the Head Teacher.

Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Ms C Forbes, Chair	6	7
Ms M Woodliffe, Vice Chair	6	7
Ms V Parsey, Headteacher	4	7
Mr B Judge, Community Governor	6	7
Mr M Jolly, Parent Governor	7	7
Ms S Boulton, Staff Governor	7	7
Ms N Oxenham, Acting Headteacher	1	1
Ms M O'Donovan, Community Governor	7	7
Revd J Fennell, Community Governor	6	7
Ms R Barden, Parent Governor	7	7
Mr D Parker, Parent Governor	7	7
Mr N Gallacher, Staff Governor	1	1
Mr N Lofthouse, Parent Governor	1	1
Mr B Towndrow, Community Governor	1	1
Ms F Wadley, Parent Governor	1	1
Ms L Abrahams-Green, Parent Governor	1	1
Ms L Lamaison, Staff Governor	0	0

Governance reviews:

During the Summer term of 2014 the Governing Body commissioned an external review to consider its organisation and effectiveness. The school was at a key point of transition in making arrangements to appoint a new Head Teacher in place for the new school year. The school and the Governing Body were at a point in time where there was an opportunity to review where the school was currently and decide its future direction.

A report with recommendations were submitted to the Governing Body which enabled it to review its structure, develop and adopt a code of conduct relating to delegated responsibilities, school visits and confidentiality. Additionally a vision workshop was arranged for early in the Autumn term with the school staff to consider and agree future visions and related aims of the school.

The Governors and staff are working together as a team to ensure effective governance and good working relationships going forward next term.

APPLECROFT PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to address financial matters.

The main items addressed during the year was a complete review of financial controls and the employment of a new Business Manager.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Ms C Forbes	4	4
Ms M Woodliffe	3	4
Ms V Parsey	4	4
Mr B Judge	2	4
Ms R Barden	3	4
Mr D Parker	4	4
Mr N Lofthouse	0	0
Ms F Wadley	0	0

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 Academy for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and appointed Mr Peter Cabon as internal auditor. Unfortunately, Mr Cabon resigned after two visits. During these visits, no major issues were identified but positive comments for further enhancement of our processes. Actions have been implemented accordingly. The Governing Body decided to wait until the Business Manager was appointed before agreeing who would be best placed to continue to provide this service. A final term audit has been conducted with a full and proper review of the school risk register.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The internal auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

APPLECROFT PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

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 internal auditor;
- 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 Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 17.12.14 and signed on their behalf, by:



Ms C Forbes
Chair of Governors



Ms N Oxenham
Accounting Officer

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Academy I have considered my responsibility to notify the Academy Governing Body 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.

I confirm that I and the Academy Governing Body 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.

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 Governing Body and EFA.



Ms N Oxenham (from 1 Sept 2014)
Accounting Officer

Date: 17 Dec 2014

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (who act as directors of Applecroft School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)..

Company and charity law requires the Governors to prepare financial statements for each financial year they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

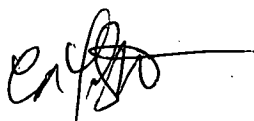
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Governing Body on 17.12.2014 and signed on its behalf by:



Ms C Forbes
Chair of Governors

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF APPLECROFT PRIMARY SCHOOL

We have audited the financial statements of Applecroft School for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF APPLECROFT 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 Charities Act 2006 requires us to report to you if, in our opinion:

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



Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date:

18/12/14

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 20 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Applecroft Primary School during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Applecroft Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Applecroft 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 Applecroft Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Applecroft Primary School's funding agreement with the Secretary of State for Education dated 1 March 2012, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the accounting officers' statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other Key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr G Miller (Reporting Accountant)

Price Bailey LLP

Chartered Accountants

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date:

18 July 2014

APPLECROFT 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 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	13,927	57,027	-	70,954	75,972
Activities for generating funds	3	168,692	-	-	168,692	164,998
Investment income	4	4,258	-	-	4,258	2,890
Incoming resources from charitable activities		-	1,862,161	9,006	1,871,167	1,822,400
TOTAL INCOMING RESOURCES		186,877	1,919,188	9,006	2,115,071	2,066,260
RESOURCES EXPENDED						
Charitable activities		113,653	1,868,033	118,968	2,100,654	2,103,076
Governance costs	6	-	7,800	-	7,800	7,550
TOTAL RESOURCES EXPENDED	8	113,653	1,875,833	118,968	2,108,454	2,110,626
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		73,224	43,355	(109,962)	6,617	(44,366)
Transfers between Funds	16	-	(28,736)	28,736	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		73,224	14,619	(81,226)	6,617	(44,366)
Actuarial gains and losses on defined benefit pension schemes		-	(73,000)	-	(73,000)	5,000
NET MOVEMENT IN FUNDS FOR THE PERIOD		73,224	(58,381)	(81,226)	(66,383)	(39,366)
Total funds at 1 September 2013		427,597	(330,000)	2,690,147	2,787,744	2,827,110
TOTAL FUNDS AT 31 AUGUST 2014		500,821	(388,381)	2,608,921	2,721,361	2,787,744

All activities relate to continuing operations.

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

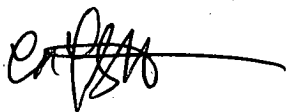
The notes on pages 20 to 34 form part of these financial statements.

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07917745

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	2013 £
FIXED ASSETS				
Tangible assets	13		2,608,921	2,690,147
CURRENT ASSETS				
Debtors	14	86,309	74,920	
Cash at bank and in hand		640,427	541,081	
		<u>726,736</u>	<u>616,001</u>	
CREDITORS: amounts falling due within one year	15	(180,296)	(188,404)	
NET CURRENT ASSETS			<u>546,440</u>	<u>427,597</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,155,361</u>	<u>3,117,744</u>
Defined benefit pension scheme liability	20	(434,000)	(434,000)	(330,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>2,721,361</u></u>	<u><u>2,787,744</u></u>
FUNDS OF THE ACADEMY				
Restricted funds :				
Restricted funds	16	45,619	-	
Restricted fixed asset funds	16	2,608,921	2,690,147	
		<u>2,654,540</u>	<u>2,690,147</u>	
Restricted funds excluding pension liability				
Pension reserve		(434,000)	(330,000)	
		<u></u>	<u></u>	
Total restricted funds			2,220,540	2,360,147
Unrestricted funds	16		500,821	427,597
TOTAL FUNDS			<u><u>2,721,361</u></u>	<u><u>2,787,744</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 17.12.2014 and are signed on their behalf, by:



Ms C Forbes
Chair of Governors

The notes on pages 20 to 34 form part of these financial statements.

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	18	137,906	72,006
Returns on investments and servicing of finance - interest received		4,258	2,890
Capital expenditure		(42,818)	(28,348)
INCREASE IN CASH IN THE YEAR		99,346	46,548

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

	2014 £	2013 £
Increase in cash in the year	99,346	46,548
MOVEMENT IN NET FUNDS IN THE YEAR	99,346	46,548
Net funds at 1 September 2013	541,081	494,533
NET FUNDS AT 31 AUGUST 2014	640,427	541,081

The notes on pages 20 to 34 form part of these financial statements.

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. 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 issued by the Young People's Learning Agency, 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 Governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the DfE.

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.

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

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

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

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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 Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

Assets costing more than £500 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 carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Assets in the course of construction and not yet in use are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

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 Land	-	Over the term of the lease
Long Term Leasehold Buildings	-	20 years straight line
Fixtures and fittings	-	10 years straight line
Computer equipment	-	4 years straight line
Leasehold improvements	-	35 years straight line

1.7 Operating leases

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

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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. 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 pension interest adjustment in note 7. Actuarial gains and losses are recognised immediately in other gains and losses.

2. OTHER VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	13,927	57,027	70,954	75,972

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Hire of Facilities	27,372	-	27,372	18,792
Catering Income	79,148	-	79,148	66,143
Other Income	62,172	-	62,172	80,063
	168,692	-	168,692	164,998

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank Interest	4,258	-	4,258	2,890
	<u>4,258</u>	<u>-</u>	<u>4,258</u>	<u>2,890</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,408,581	1,408,581	1,398,656
Other DfE / EFA grants	-	66,793	66,793	46,048
Other government grants	-	26,000	26,000	-
	<u>-</u>	<u>1,501,374</u>	<u>1,501,374</u>	<u>1,444,704</u>
Other government grants				
Local authority grants	-	369,793	369,793	377,696
	<u>-</u>	<u>369,793</u>	<u>369,793</u>	<u>377,696</u>
	<u>-</u>	<u>1,871,167</u>	<u>1,871,167</u>	<u>1,822,400</u>

6. GOVERNANCE COSTS

	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	4,200	4,200
Auditors' non audit costs	3,600	3,350
	<u>7,800</u>	<u>7,550</u>

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

7. CHARITABLE ACTIVITIES

	Total funds 2014 £	Total funds 2013 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff wages and salaries	992,604	979,131
Teaching and educational support staff national insurance	50,419	64,153
Teaching and educational support staff pension cost	161,823	148,525
Educational supplies	158,047	147,930
Educational consultancy	23,322	6,835
Other direct costs	4,290	6,557
Supply teaching	26,092	1,882
	<u>1,416,597</u>	<u>1,355,013</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff wages and salaries	220,207	241,971
Support staff national insurance	6,440	5,582
Support staff pension cost	16,932	21,661
Depreciation	118,968	151,272
FRS 17 adjustment to LGPS	11,000	11,000
Staff development	38,477	7,055
Technology costs	18,685	15,717
Travel and subsistence	4,006	2,157
Other support costs	31,003	22,240
Recruitment and Support	3,177	-
Maintenance of premises and equipment	21,617	48,409
Cleaning	7,314	5,760
Rates	7,895	7,693
Energy	27,582	8,753
Insurance	29,877	37,691
Catering	76,187	88,669
Occupancy costs	4,607	22,354
Bank interest and charges	340	165
Telephone	5,130	5,031
Printing, postage and stationery	10,101	15,342
Professional fees	24,512	29,541
	<u>684,057</u>	<u>748,063</u>
	<u><u>2,100,654</u></u>	<u><u>2,103,076</u></u>

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

8. RESOURCES EXPENDED

	Staff costs	Non Pay	Expenditure	Total	Total
	2014	Premises	Other costs	2014	2013
	£	2014	2014	£	£
Direct costs	1,230,938	-	185,659	1,416,597	1,355,013
Support costs	243,579	98,892	341,586	684,057	737,063
Charitable activities	1,474,517	98,892	527,245	2,100,654	2,092,076
Governance	-	-	7,800	7,800	7,550
	1,474,517	98,892	535,045	2,108,454	2,099,626

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	118,968	151,272
Auditors' remuneration	4,200	4,200
Auditors' remuneration - non-audit	3,600	3,350
Operating leases	-	334

10. STAFF

a. Staff costs

Staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	1,212,811	1,221,102
Social security costs	56,859	69,735
Other pension costs (Note 20)	178,755	170,186
	1,448,425	1,461,023
Supply teacher costs	26,092	1,882
	1,474,517	1,462,905

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

10. STAFF (continued)

b. Staff numbers

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

	2014 No.	2013 No.
Teachers	21	18
Administration and Support	4	3
	<u>25</u>	<u>21</u>

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £ 80,001 - £ 90,000	<u>1</u>	<u>1</u>

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2014 the academy made pension contributions totalling £11,604 (2013: £11,506) on their behalf.

11. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Governors (2013 - 3) in respect of defined contribution pension schemes.

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

	2014 £	2013 £
Ms V Parsey, Headteacher	95,000-100,000	90,000-95,000
Ms S Boulton, Staff Governor	35,000-40,000	35,000-40,000
Mr N Gallacher, Staff Governor	20,000-25,000	20,000-25,000

During the year ended 31 August 2014, expenses totalling £1,316 (2013 - £1,037) were reimbursed to 1 Governor (2013 - 1). These are reimbursed expenses incurred in the course of their role as an employee not as governor.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2014 was £863. The cost of this insurance is included in the total insurance cost.

APPLECROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

13. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2013	2,773,415	79,006	60,857	2,913,278
Additions	-	9,488	33,330	42,818
Disposals	-	(1,969)	(14,750)	(16,719)
At 31 August 2014	2,773,415	86,525	79,437	2,939,377
Depreciation				
At 1 September 2013	141,973	50,915	30,243	223,131
Charge for the year	94,649	3,963	20,356	118,968
On disposals	-	(730)	(10,913)	(11,643)
At 31 August 2014	236,622	54,148	39,686	330,456
Net book value				
At 31 August 2014	2,536,793	32,377	39,751	2,608,921
At 31 August 2013	2,631,442	28,091	30,614	2,690,147

The long term leasehold property has been included in the accounts based on the valuation arranged by the EFA using depreciated replacement cost. The Governors believe that the cost of obtaining a more detailed valuation outweighs the benefit.

14. DEBTORS

	2014 £	2013 £
VAT receivable	36,763	30,909
Prepayments and accrued income	49,546	44,011
	<u>86,309</u>	<u>74,920</u>

15. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	32,658	23,255
Other taxation and social security	17,437	20,070
Other creditors	21,050	64,161
Accruals and deferred income	109,151	80,918
	<u>180,296</u>	<u>188,404</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. CREDITORS:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2013	32,509
Resources deferred during the year	86,288
Amounts released from previous years	(32,509)
	<hr/>
Deferred income at 31 August 2014	86,288
	<hr/> <hr/>

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	427,597	186,877	(113,653)	-	-	500,821
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds						
General Annual Grant (GAG)	-	1,408,581	(1,334,226)	(28,736)	-	45,619
Other DfE/EFA grants	-	57,787	(57,787)	-	-	-
Other government grants	-	395,793	(395,793)	-	-	-
Restricted donations	-	57,027	(57,027)	-	-	-
Pension reserve	(330,000)	-	(31,000)	-	(73,000)	(434,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(330,000)	1,919,188	(1,875,833)	(28,736)	(73,000)	(388,381)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds						
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Restricted fixed assets	2,690,147	-	(118,968)	37,742	-	2,608,921
DfE/EFA capital grants	-	9,006	-	(9,006)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,690,147	9,006	(118,968)	28,736	-	2,608,921
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	2,360,147	1,928,194	(1,994,801)	-	(73,000)	2,220,540
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	2,787,744	2,115,071	(2,108,454)	-	(73,000)	2,721,361
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

APPLECROFT PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

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

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure.

Other DfE/EFA grants

Other DfE/EFA grants relate to the restricted income received from both the Department for Education and the Education Funding Agency to assist with the costs of the school in relation to specific activities.

Other government grants

This represents allocated funding for special educational needs pupils and various other small grants from local and national government bodies for the provision of specific services to pupils of the school.

Restricted donations

This represents contributions made by parents to the running of educational visits for the pupils of the school and the associated costs of running the trips as well as other small donations for the provision of specific services to pupils of the school.

Pension Reserve

This fund represents the Academy's share of the deficit of the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from being a state controlled school.

Restricted Fixed Asset Fund

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

DfE/EFA capital grants

This represents income received from both the Department for Education and the Education Funding Agency for capital projects undertaken by the Academy.

The transfer between funds represents the net adjustment for additions purchased using GAG funding and DfE/EFA capital funding.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	427,597	186,877	(113,653)	-	-	500,821
Restricted funds	(330,000)	1,919,188	(1,875,833)	(28,736)	(73,000)	(388,381)
Restricted fixed asset funds	2,690,147	9,006	(118,968)	28,736	-	2,608,921
	<u>2,787,744</u>	<u>2,115,071</u>	<u>(2,108,454)</u>	<u>-</u>	<u>(73,000)</u>	<u>2,721,361</u>

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	2,608,921	2,608,921	2,690,147
Current assets	681,117	45,619	-	726,736	616,001
Creditors due within one year	(180,296)	-	-	(180,296)	(188,404)
Provisions for liabilities and charges	-	(434,000)	-	(434,000)	(330,000)
	<u>500,821</u>	<u>(388,381)</u>	<u>2,608,921</u>	<u>2,721,361</u>	<u>2,787,744</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	6,617	(44,366)
Returns on investments and servicing of finance	(4,258)	(2,890)
Deficit on disposal of tangible fixed assets	5,076	130
Depreciation of tangible fixed assets	118,968	-
(Increase)/decrease in debtors	(11,389)	19,959
(Decrease)/increase in creditors	(8,108)	86,173
FRS 17 adjustments	31,000	13,000
Net cash inflow from operations	<u>137,906</u>	<u>72,006</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	541,081	99,346	-	640,427
Net funds	<u>541,081</u>	<u>99,346</u>	<u>-</u>	<u>640,427</u>

20. 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 Hertfordshire 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.

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

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

20. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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

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

20. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £54,000, of which employer's contributions totalled £40,000 and employees' contributions totalled £14,000. The agreed contribution rates for future years are 16.8% for employers and 6.6% 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:

	2014 £	2013 £
Present value of funded obligations	(812,000)	(620,000)
Fair value of scheme assets	378,000	290,000
Net liability	<u>(434,000)</u>	<u>(330,000)</u>

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

	2014 £	2013 £
Current service cost	(60,000)	(54,000)
Interest on obligation	(30,000)	(22,000)
Expected return on scheme assets	19,000	11,000
Total	<u>(71,000)</u>	<u>(65,000)</u>
Actual return on scheme assets	<u>39,000</u>	<u>32,000</u>

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

	2014 £	2013 £
Opening defined benefit obligation	620,000	515,000
Current service cost	60,000	54,000
Interest cost	30,000	22,000
Contributions by scheme participants	14,000	13,000
Actuarial Losses	88,000	16,000
Closing defined benefit obligation	<u>812,000</u>	<u>620,000</u>

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

20. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening fair value of scheme assets	290,000	193,000
Expected return on assets	19,000	11,000
Actuarial gains and (losses)	15,000	21,000
Contributions by employer	40,000	52,000
Contributions by employees	14,000	13,000
	<u>378,000</u>	<u>290,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £(86,000) (2013 - £(13,000)).

The Academy expects to contribute £51,000 to its Defined Benefit Pension Scheme in 2015.

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

	2014	2013
Equities	67.00 %	74.00 %
Bonds	23.00 %	18.00 %
Property	7.00 %	5.00 %
Cash	3.00 %	3.00 %

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.40 %	5.90 %
Rate of increase in salaries	4.00 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.3	21.0
Females	24.5	23.8
Retiring in 20 years		
Males	24.3	22.9
Females	26.7	25.7

APPLECROFT PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(812,000)	(620,000)	(515,000)
Scheme assets	378,000	290,000	193,000
Deficit	<u>(434,000)</u>	<u>(330,000)</u>	<u>(322,000)</u>
Experience adjustments on scheme assets	<u>15,000</u>	<u>21,000</u>	<u>(4,000)</u>

21. OPERATING LEASE COMMITMENTS

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

	2014 £	2013 £
Expiry date:		
Between 2 and 5 years	<u>364</u>	<u>364</u>

22. 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 governor 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.

During the previous year the Academy made purchases for re-decorating of £9,750 from Darren Gallacher, a brother of Governor Nigel Gallacher. No such transactions took place in the current year.

The amount due to them at 31 August 2013 was £9,750.

There were no related party transactions in the year.

23. MEMBERS' LIABILITY

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