

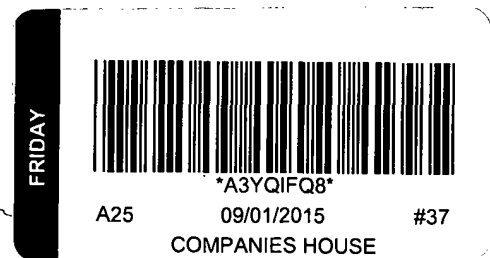
REGISTRAR'S COPY

SHAW PRIMARY ACADEMY

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014



SHAW PRIMARY ACADEMY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its governors and advisers	1
Governors' report	2 - 6
Governance statement	7 - 9
Statement on regularity, propriety and compliance	10
Governors' responsibilities statement	11
Independent auditors' report	12 - 13
Independent reporting accountant's assurance report on regularity	14 - 15
Statement of financial activities	16
Balance sheet	17
Cash flow statement	18
Notes to the financial statements	19 - 36

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Members	L Crouchman (resigned 24 February 2014) ¹ C Burton (resigned 31 July 2014) ¹ C Exley
Trustees	R Brock, Chair (appointed 23 April 2014) ¹ M Awolola ¹ A Adow ¹ C Burton A Willmore (appointed 8 April 2013) ¹ D Copping, Accounting Officer ¹ J Casey ¹ V Lamberth (resigned 10 October 2013) E Chown (resigned 14 June 2013)

¹ Resources and finance committee

Company registered number	8333159
Principal and registered office	Shaw Primary School Avon Green South Ockendon Essex RM15 5QJ
Company secretary	G Mann
Accounting Officer	D Copping
Senior management team	D Copping, Headteacher C Arnott, Deputy Headteacher M Awolola, Assistant Headteacher
Independent auditors	MWS Chartered Accountants Registered Auditors Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE
Bankers	Lloyds TSB Bank Plc 1-3 Market Place Town Centre Romford Essex RM1 3AA
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Stret Birmingham B3 2ES

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Shaw Primary Academy (the academy) for the year ended 31 August 2014. The governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Discussion on conversion to academy trust

On 1 February 2013 the Shaw Primary School converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Shaw Primary Academy from the Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

Structure, governance and management

a. CONSTITUTION

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 8333159.

The governors act as the trustees for the charitable activities of Shaw Primary Academy and are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Governor recruitment is through a combination of approaches, one being the co-option of those with necessary skills, from parents of children at the school to those with an interest in the school community. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the members of the Academy Trust who will decide the successful candidate.

If a Parent Governor vacancy becomes available then information is circulated to all school parent/carers. Prospective Governors can then be nominated and seconded. If more than one applicant applies, voting papers are sent out. Staff Governor elections will follow a similar procedure.

The Chair and Vice-Chair are elected to the position annually, as are the Chairs of Sub-Committees.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The school provides all new Governors with a comprehensive induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

being a school Governor so they can fulfil their role with confidence.

e. ORGANISATIONAL STRUCTURE

The Shaw Primary Academy is governed by the Governing Body and is constituted under a Memorandum of Association and Articles of Association.

The Governing Body is responsible for the strategic management of the school; deciding and setting key aspects such as the strategic direction, annual budgets, senior staff appointments, policy development and changes and ensuring compliance with legal requirements.

The Headteacher is the Accounting Officer and is supported by the senior leadership team. The Governing Body has delegated the day-to-day running of the Academy to the Headteacher and while it has retained responsibility for certain aspects of governance, the majority of roles and responsibilities are delegated to the Committees, as defined in the school's Standing Orders.

There is an additional Committee, with its own terms of reference:

- Resources and Finance

There are additional Sub-Committees that convene as and when required.

f. RISK MANAGEMENT

The Shaw Primary Academy regularly undertakes a comprehensive assessment of possible risks to the future of the Academy (Risk Register). The chief risks identified include issues relating to academic performance, child welfare and finances. The Academy has developed policies and procedures to mitigate these risks. Where significant financial risk still remains, the school has ensured adequate insurance cover. There are effective systems of internal financial control (explained in more detail in the Governance Statement).

The Risk Register is regularly reviewed by the Governing Body.

g. GOVERNORS' INDEMNITIES

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

h. PRINCIPAL ACTIVITIES

The Academy's principle activity is to provide education to boys and girls between the ages of 4 and 11, without prejudice, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as set down in the Company's Memorandum and Articles of Association.

Objectives and Activities

a. OBJECTS AND AIMS

Our overall aim is to provide a stimulating environment which enables all children to enjoy learning and reach their individual potential.

Our general aims in relation to learning are:

- to provide a broad, balanced, relevant, stimulating and differentiated curriculum which is accessible to all children;
- to support each pupil in reaching his/her individual potential;
- to enable all children to progress by the use of suitable and flexible structured activities;

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

- to encourage a high level of concentration through the provision of purposeful activities in an atmosphere of quiet calm;
- to achieve high standards of work and behaviour through building good relationships and developing a sense of responsibility;
- to encourage mutual respect and trust between adults and children
- to create a welcoming atmosphere;
- to encourage parents/carers to take an active part in their child's education both at home and school;
- to increase an awareness of, and sensitivity towards others;
- to liaise effectively with pre-school groups and secondary schools, paying particular attention to continuity of the curriculum and progress of each pupil.

The school is committed to safeguarding and promoting the welfare of children and expects all staff and volunteers to share this commitment.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The School Development Plan has been tailored specifically to meet the overall objects and aims of the school, as outlined above. It is constantly reviewed and the key priorities are updated. It covers all aspects of achievements and standards across the curriculum; pupils progress, pupils health, behaviour and wellbeing; staff and management; premises and resources; community and promotion; and finance.

c. PUBLIC BENEFIT

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Strategic report

Achievements and performance

a. 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.

b. REVIEW OF ACTIVITIES

Achievement is at least Good and Outstanding by the end of Key Stage 2 this is reflected in most groups including those in receipt of Pupil Premium, More Able and SEN. Standards of attainment of almost all groups are in line with or above National averages and the proportions of pupils making or exceeding expected progress in English and maths is high compared with national averages.

- Early Years outcomes are good with more pupils achieving GLD than the national average.
- The % of pupils meeting the expected standard in the Phonics Check is above the National average.
- Standards at the end of KS1 are in line with National for English and just above in Maths at level 2b. At level 3 standards are in line with national in writing and maths and the gap in reading continues to close rapidly.
- APS at the end of KS1 shows a 3 year upward trend in 'all subjects' and is in line with national averages demonstrating Good progress from low starting points on entry at EYFS
- The achievement of disadvantaged pupils is in line with their peers.
- In-year standards are on track for good end of key stage outcomes and children make good progress overall. The Good achievement of boys is not completely in line with their female peers which has been addressed through the SDP this will also improve data for pupils in receipt of PP and those who are SEN.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

- Standards at the end of KS2 are above national averages for all subjects at level 4 and at Level 5.
- APS at the end of KS2 shows a 3 year upward trend in all subjects and is above national averages overall.
- GPS is above the national average at level 4 and 5
- Progress, as indicated by value added, between KS1 and KS2 is significantly above the national average at 101.6 showing outstanding progress by the end of KS2 in all subjects.
- The progress of groups compares favourably with national averages with many groups making outstanding progress.
- When compared to similar schools, progress is in the highest quintile.

Financial review

a. OVERVIEW

The majority of the Academy's income is derived from the Education Funding Agency (EFA), (formerly the Young People's Learning Agency). The income is in the form of recurrent grants, of which the use is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the EFA and local authority; all these grants are shown as restricted income.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy Trust has a comprehensive Risk Register which is reviewed regularly. Falling pupil numbers would impact on funding streams for the Academy, making a deficit budget a possibility and affecting long-term viability. Consequently pupil forecasts are monitored carefully and appropriate responsive action is taken.

c. 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.

Serco have been commissioned to begin the procurement process and associated planning permission to enable the building of an additional administration and reception building as an extension to the current school site; the expected cost is estimated to be in the region of £450,000. In light of this future anticipated cost the directors have not spent existing contingencies and retained as many funds as possible to support this future expenditure. This has been achieved without compromising the quality of education offered to pupils.

The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £384,841. This has been built up from balances transferred from the predecessor school. Surpluses built up by careful control of GAG expenditure since conversion to academy amount to £510,435. The cash balance of the academy has been very healthy all year, ending the year with a balance of £877,572. The directors have determined that in addition to funds earmarked for the building project, they should hold a contingency equivalent to £50,000.

d. MATERIAL INVESTMENTS POLICY

The charitable company's current policy is to invest surplus funds in short-term cash deposits. There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Plans for future periods

a. FUTURE DEVELOPMENTS

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

The academy will continue to ensure high quality provision through excellent resources and teaching. Staffing capacity will be increased with the addition of a supernumerary teacher to cover PPA and a Specialist support assistant who works with pupils who speak English as an additional language. Governors will also be consulted on the senior leadership team's desire to appoint specialist sports coaches to teach curriculum P.E. and after school clubs. In the longer term we are planning for the possibility of remodelling the current Key Stage 1 building so that all infant classes are in the same building, thus removing the need to continue with the lease of a demountable classroom currently being used.

Through a broad and balanced curriculum, effective assessment of pupil standards and clear behaviour for learning strategies the academy remains completely committed to inspiring and empowering every individual to find and unlock their potential and develop the skills necessary to become life-long learners.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Shaw Primary Academy does not hold, and the Governors do not anticipate that it will in the future hold, any funds as custodian for any third party.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2014 and signed on the board's behalf by:


.....
R Brock
Chair of Trustees

18/12/14

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Shaw Primary 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Shaw Primary 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 Governors' report and in the Governors' responsibilities statement. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
L Crouchman	2	2
C Burton	5	6
C Exley	1	5
R Brock, Chair	4	4
M Awolola	7	7
A Adow	7	8
C Burton	0	0
A Willmore	4	5
D Copping, Accounting Officer	8	8
J Casey	5	6
V Lamberth	1	1
E Chown	0	0

There have been some key changes to the composition of the governing body which are as follows:

New Chair appointed 23rd April 2014

New Vice Chair appointed 23rd April 2014

Three replacement parent governors appointed 8th October 2014

Two governors resigned Summer term 2014

In addition to the above, and as a result of difficulties with attendance, the committee structure has been abolished in favour of two full governing body meetings per term. Each of the meetings has a specific focus for the agenda, one of which is all matters related to learning and teaching and pupil outcomes, the other is matters relating to finance, premises and health and safety.

Governance reviews:

At every meeting the Governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way that the school performance can be measured and to help the school improve.

Termly, full governing body meetings dedicated to matters relating to finance and resources uphold their purpose is to manage the finances, premises and health and safety of the Academy. At every meeting the Governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way that the school performance can be monitored and to help the school improve.

Attendance at meetings during the period was as follows:

Attendance at meetings in the year was as follows:

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Governor	Meetings attended	Out of a possible
L Crouchman	2	2
C Burton	4	4
D Copping	4	4
R Brock	3	3
A Adow	3	4
M Awolola	4	5
J Casey	3	3
A Willmore	2	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 Shaw Primary 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 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 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 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 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 governors have appointed:

The appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the appointee 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 Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the 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

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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 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 3 December 2014 and signed on its behalf, by:


.....
R Brock
Chair of Trustees

19/12/14


.....
D Copping
Accounting Officer

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Shaw Primary 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 (2013).

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 (2013).

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


.....
D Copping
Accounting Officer

Date: 3 December 2014

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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

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

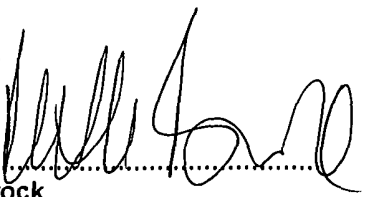
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 3 December 2014 and signed on its behalf by:

 18/12/14
.....
R Brock
Chair of Trustees

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF SHAW PRIMARY ACADEMY

We have audited the financial statements of Shaw Primary Academy 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 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 GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report 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, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

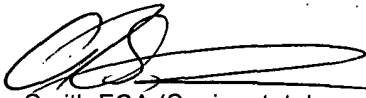
SHAW PRIMARY ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF SHAW PRIMARY ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Clive Smith FCA (Senior statutory auditor)

for and on behalf of MWS, Statutory Auditor

Kingsridge House
601 London Road

Westcliff-on-Sea
Essex
SS0 9PE
3 December 2014

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 19 February 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 Shaw Primary Academy 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 Shaw Primary Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Shaw Primary Academy 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 Shaw Primary Academy and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SHAW PRIMARY ACADEMY'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Shaw Primary Academy's funding agreement with the Secretary of State for Education dated 25 May 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.

Based upon our risk assessment of material non-compliance, we carried out detailed testing of the specific income streams from the EFA, and the related expenditure streams, to which specific conditions had been attached.

We evaluated the control environment of the Academy Trust, extending the procedures required for the financial statements to include regularity. We tested a sample of the specific control activities over regularity of particular activities. We confirmed that the Academy Trust had not entered into any borrowing arrangements. We carried out substantive testing of fixed assets to confirm that no sales of any assets had taken place. We reviewed cash payments made by the school for any unusual transactions and verified the nature of said transactions. We reviewed the list of suppliers to consider whether any supplies were made by related parties connected to the Principal, Finance Manager or any Governor. We reviewed the nature and terms of any lettings to ensure that any lettings made to any related parties were made at the normal third party rates and not on any favourable terms.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SHAW
PRIMARY 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 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.



Clive Smith FCA (Senior Statutory Auditor)
For and on behalf of MWS, Statutory Auditor

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

3 December 2014

SHAW PRIMARY ACADEMY
(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	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	-	7,903	7,903	2,940,843
Activities for generating funds	3	-	-	47,849	47,849	24,779
Investment income	4	-	-	862	862	267
Incoming resources from charitable activities	5	1,966,665	33,094	-	1,999,759	1,128,240
TOTAL INCOMING RESOURCES		1,966,665	33,094	56,614	2,056,373	4,094,129
RESOURCES EXPENDED						
Charitable activities		1,522,393	231,161	154,120	1,907,674	1,060,513
Governance costs	6	8,170	-	-	8,170	5,000
TOTAL RESOURCES EXPENDED	9	1,530,563	231,161	154,120	1,915,844	1,065,513
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		436,102	(198,067)	(97,506)	140,529	3,028,616
Transfers between Funds	19	(126,619)	44,619	82,000	-	-
NET INCOME FOR THE YEAR		309,483	(153,448)	(15,506)	140,529	3,028,616
Actuarial gains and losses on defined benefit pension schemes		(170,000)	-	-	(170,000)	(94,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		139,483	(153,448)	(15,506)	(29,471)	2,934,616
Total funds at 1 September 2013		(439,048)	2,973,317	400,347	2,934,616	-
TOTAL FUNDS AT 31 AUGUST 2014		(299,565)	2,819,869	384,841	2,905,145	2,934,616

All activities relate to continuing operations.

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

The notes on pages 19 to 36 form part of these financial statements.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 8333159

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	2013 £
FIXED ASSETS				
Tangible assets	16		2,811,631	2,973,315
CURRENT ASSETS				
Debtors	17	112,271	59,187	
Cash at bank and in hand		877,572	622,969	
		<u>989,843</u>	<u>682,156</u>	
CREDITORS: amounts falling due within one year	18	(86,329)	(100,855)	
NET CURRENT ASSETS			<u>903,514</u>	<u>581,301</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,715,145</u>	<u>3,554,616</u>
Defined benefit pension scheme liability	25	(810,000)	(810,000)	(620,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>2,905,145</u></u>	<u><u>2,934,616</u></u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	19	510,435	180,952	
Restricted fixed asset funds	19	2,819,869	2,973,317	
Restricted funds excluding pension liability		<u>3,330,304</u>	<u>3,154,269</u>	
Pension reserve		<u>(810,000)</u>	<u>(620,000)</u>	
Total restricted funds			<u>2,520,304</u>	<u>2,534,269</u>
Unrestricted funds	19		<u>384,841</u>	<u>400,347</u>
TOTAL FUNDS			<u><u>2,905,145</u></u>	<u><u>2,934,616</u></u>

The financial statements were approved by the governors, and authorised for issue, on 3 December 2014 and are signed on their behalf, by:

.....
R Brock
Chair of Trustees

The notes on pages 19 to 36 form part of these financial statements.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	22	290,124	657,407
Returns on investments and servicing of finance	23	862	267
Capital expenditure and financial investment	23	(36,383)	(34,705)
INCREASE IN CASH IN THE YEAR		<u><u>254,603</u></u>	<u><u>622,969</u></u>

**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	<u>254,603</u>	<u>622,969</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>254,603</u>	<u>622,969</u>
Net funds at 1 September 2013	<u>622,969</u>	<u>-</u>
NET FUNDS AT 31 AUGUST 2014	<u><u>877,572</u></u>	<u><u>622,969</u></u>

The notes on pages 19 to 36 form part of these financial statements.

SHAW PRIMARY ACADEMY
(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, 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 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

1.3 Incoming resources

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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.

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.

SHAW PRIMARY ACADEMY
(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.

All resources expended are inclusive of irrecoverable VAT.

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

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

1.5 Tangible fixed assets and depreciation

All 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 are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 Statements 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:

Leasehold property	-	2% straight line
Furniture and Equipment	-	25% reducing balance
Computer equipment	-	3 years straight line

1.6 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.

1.7 Pensions

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

1.8 Fund accounting

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

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

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

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

1.9 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

2. VOLUNTARY INCOME

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Educational trips and visits	-	7,903	7,903	7,467
Transfer on conversion	-	-	-	2,933,376
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	7,903	7,903	2,940,843
	<hr/>	<hr/>	<hr/>	<hr/>

3. ACTIVITIES FOR GENERATING FUNDS

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Catering income	-	41,165	41,165	18,669
School sales	-	6,684	6,684	5,760
Recharges and reimbursements	-	-	-	350
	<hr/>	<hr/>	<hr/>	<hr/>
	-	47,849	47,849	24,779
	<hr/>	<hr/>	<hr/>	<hr/>

4. INVESTMENT INCOME

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Short term deposits	-	862	862	267
	<hr/>	<hr/>	<hr/>	<hr/>

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	1,663,494	-	1,663,494	932,975
Capital Grants	33,094	-	33,094	8,128
Other DfE/EFA grants	191,933	-	191,933	67,040
	<u>1,888,521</u>	<u>-</u>	<u>1,888,521</u>	<u>1,008,143</u>
Other government grants				
Local authority grants	111,238	-	111,238	120,097
	<u>111,238</u>	<u>-</u>	<u>111,238</u>	<u>120,097</u>
	<u>1,999,759</u>	<u>-</u>	<u>1,999,759</u>	<u>1,128,240</u>

6. GOVERNANCE COSTS

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Governance Internal audit costs	450	-	450	-
Governance Auditors' remuneration	7,000	-	7,000	5,000
Governance professional fees	720	-	720	-
	<u>8,170</u>	<u>-</u>	<u>8,170</u>	<u>5,000</u>

7. DIRECT COSTS

	Educational Operations £	Total 2014 £	Total 2013 £
Educational supplies	76,873	76,873	30,887
Staff development	15,231	15,231	2,825
Educational consultancy	1,515	1,515	2,236
Other direct costs	6,279	6,279	-
Wages and salaries	927,379	927,379	496,665
National insurance	59,794	59,794	32,842
Pension cost	118,490	118,490	62,571
	<u>1,205,561</u>	<u>1,205,561</u>	<u>628,026</u>

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

8. SUPPORT COSTS

	Educational Operations £	Total 2014 £	Total 2013 £
Net pension finance charge	26,000	26,000	14,000
Recruitment and support	237	237	373
Maintenance of premises	59,446	59,446	116,109
Cleaning	29,424	29,424	14,745
Rent and rates	57,295	57,295	17,229
Insurance	18,424	18,424	9,298
Security and transport	376	376	201
Catering	71,125	71,125	23,136
Legal and professional fees	18,577	18,577	16,018
Other support costs	6,821	6,821	4,335
Wages and salaries	143,048	143,048	77,084
National insurance	8,473	8,473	4,653
Pension cost	31,706	31,706	13,789
Depreciation	231,161	231,161	121,517
	<u>702,113</u>	<u>702,113</u>	<u>432,487</u>

9. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Direct costs	1,105,663	-	99,898	1,205,561	628,026
Support costs	183,227	366,326	152,560	702,113	432,487
	<u>1,288,890</u>	<u>366,326</u>	<u>252,458</u>	<u>1,907,674</u>	<u>1,060,513</u>
Charitable activities	-	-	8,170	8,170	5,000
Governance	-	-	-	-	-
	<u>1,288,890</u>	<u>366,326</u>	<u>260,628</u>	<u>1,915,844</u>	<u>1,065,513</u>

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £	Total 2013 £
Educational Operations	<u>1,205,561</u>	<u>702,113</u>	<u>1,907,674</u>	<u>1,060,513</u>

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

11. NET INCOME / (EXPENDITURE)

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	231,161	121,517
Auditors' remuneration	7,000	5,000
Governance Internal audit costs	450	-
Operating lease rentals:		
- other operating leases	3,200	1,867
	<u>3,200</u>	<u>1,867</u>

12. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	1,062,779	571,939
Social security costs	68,267	37,494
Other pension costs (Note 25)	150,196	76,360
	<u>1,281,242</u>	<u>685,793</u>
Supply teacher costs	7,648	1,810
	<u>1,288,890</u>	<u>687,603</u>

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	18	15
Administration and support	23	17
Management	1	1
	<u>42</u>	<u>33</u>

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	1	1

1 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £8,877 (2013: £5,005)

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

12. STAFF (continued)

13. GOVERNORS' REMUNERATION AND EXPENSES

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

	2014 £'000	2013 £'000
Mrs M Awolola	40-45	20-25
Mrs D Copping	60-65	35-40
Mrs J Casey	5-10	5-10
Mrs V Lamberth	0-5	10-15

During the year, no governors received any reimbursement of expenses (2013 - £NIL).

14. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2014 is included in the total insurance cost.

15. OTHER FINANCE INCOME

	2014 £	2013 £
Expected return on pension scheme assets	18,000	7,000
Interest on pension scheme liabilities	(44,000)	(21,000)
	<u>(26,000)</u>	<u>(14,000)</u>

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2013	2,458,000	513,445	123,388	3,094,833
Additions	-	62,676	6,801	69,477
At 31 August 2014	2,458,000	576,121	130,189	3,164,310
Depreciation				
At 1 September 2013	28,677	73,667	19,174	121,518
Charge for the year	49,160	140,056	41,945	231,161
At 31 August 2014	77,837	213,723	61,119	352,679
Net book value				
At 31 August 2014	2,380,163	362,398	69,070	2,811,631
At 31 August 2013	2,429,323	439,778	104,214	2,973,315

17. DEBTORS

	2014 £	2013 £
Trade debtors	-	5,939
VAT recoverable	71,846	23,233
Prepayments and accrued income	40,425	30,015
	<u>112,271</u>	<u>59,187</u>

18. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	6,878	27,376
Other taxation and social security	38,847	36,828
Other creditors	111	-
Accruals and deferred income	40,493	36,651
	<u>86,329</u>	<u>100,855</u>

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

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

	£
Deferred income	
Deferred income at 1 September 2013	36,651
Resources deferred during the year	33,518
Amounts released from previous years	(36,651)
	<hr/>
Deferred income at 31 August 2014	33,518
	<hr/>

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted general funds	400,347	56,614	(154,120)	82,000	-	384,841
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds						
General Annual Grant	157,952	1,663,494	(1,238,192)	(106,619)	-	476,635
Local Authority Grants	-	111,238	(111,238)	-	-	-
Other DfE/EFA Grants	23,000	191,933	(181,133)	-	-	33,800
Pension reserve	(620,000)	-	-	(20,000)	(170,000)	(810,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(439,048)	1,966,665	(1,530,563)	(126,619)	(170,000)	(299,565)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds						
Inherited Fixed Assets	2,932,367	-	(205,085)	44,619	-	2,771,901
EFA Capital Grants	-	33,094	(7,941)	-	-	25,153
Capital expenditure from GAG	40,950	-	(18,135)	-	-	22,815
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,973,317	33,094	(231,161)	44,619	-	2,819,869
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	2,534,269	1,999,759	(1,761,724)	(82,000)	(170,000)	2,520,304
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	2,934,616	2,056,373	(1,915,844)	-	(170,000)	2,905,145
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

Restricted general funds and other restricted funds

These relate to the Academy's development and operational activities.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

19. STATEMENT OF FUNDS (continued)

Restricted fixed asset fund

These grants relate to capital funding to carry out works of a capital nature

Pension reserve

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme

GAG carry forward restriction

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	400,347	56,614	(154,120)	82,000	-	384,841
Restricted funds	(439,048)	1,966,665	(1,530,563)	(126,619)	(170,000)	(299,565)
Restricted fixed asset funds	2,973,317	33,094	(231,161)	44,619	-	2,819,869
	<u>2,934,616</u>	<u>2,056,373</u>	<u>(1,915,844)</u>	<u>-</u>	<u>(170,000)</u>	<u>2,905,145</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	2,811,633	-	2,811,633	2,973,317
Current assets	605,000	-	384,841	989,841	682,154
Creditors due within one year	(94,565)	8,236	-	(86,329)	(100,855)
Provisions for liabilities and charges	(810,000)	-	-	(810,000)	(620,000)
	<u>(299,565)</u>	<u>2,819,869</u>	<u>384,841</u>	<u>2,905,145</u>	<u>2,934,616</u>

21. TRANSFER BETWEEN FUNDS

Funds have been transferred in respect of the following;

£62,000 has been transferred from the restricted fund to the restricted pension reserve for employers LGPS contributions paid, on behalf of employees, from the General Annual Grant (GAG).

£44,619 has been transferred from the restricted fund to restricted fixed asset fund representing assets

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

purchased using the GAG.

£82,000 of costs have been transferred from the unrestricted fund to restricted pension reserve representing the service cost and net finance charge of the LGPS.

£69,631 has been transferred from the unrestricted fund to the restricted fund to cover the cash deficit on this fund.

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	140,529	3,028,616
Returns on investments and servicing of finance	(862)	(267)
Donated capital and capital grants	-	(3,052,001)
Depreciation of tangible fixed assets	231,161	121,517
Capital grants from DfE	(33,094)	(8,128)
Increase in debtors	(53,084)	(36,186)
(Decrease)/increase in creditors	(14,526)	77,856
FRS 17 adjustments	20,000	6,000
Inherited LGPS deficit	-	520,000
Net cash inflow from operations	290,124	657,407

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	862	267
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(69,477)	(42,833)
Capital grants from DfE	33,094	8,128
Net cash outflow capital expenditure	(36,383)	(34,705)

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	31 August 2014 £
Cash at bank and in hand:	622,969	254,603	877,572
Net funds	622,969	254,603	877,572

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

25. 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 Essex County Council. Both are defined benefit schemes.

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

Contributions amounting to £18,083 were payable to the scheme at 31 August 2014 (2013 - 16,696) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

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 reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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 £58,826, of which employer's contributions totalled £39,739 and employees' contributions totalled £19,087. The agreed contribution rates for future years are 12.3% 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.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.10	258,000	6.60	182,000
Gilts	3.00	26,000	3.50	22,000
Other Bonds	3.60	44,000	4.40	25,000
Property	5.10	47,000	5.60	31,000
Cash	2.90	11,000	0.50	8,000
Alternative Assets	3.60	16,000	4.40	11,000
Total market value of assets		<u>402,000</u>		<u>279,000</u>
Present value of scheme liabilities		<u>(1,212,000)</u>		<u>(899,000)</u>
(Deficit)/surplus in the scheme		<u><u>(810,000)</u></u>		<u><u>(620,000)</u></u>

The expected return on assets is based on the long-term future expected investment return for each asset classes as at the beginning of the period (i.e. as at 1 September 2014) for the year to 31 August 2015. The returns on gilts and other bonds re assumed to be the gilt yield and corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,212,000)	(899,000)
Fair value of scheme assets	<u>402,000</u>	<u>279,000</u>
Net liability	<u><u>(810,000)</u></u>	<u><u>(620,000)</u></u>

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

	2014 £	2013 £
Current service cost	(56,000)	(25,000)
Interest on obligation	(44,000)	(21,000)
Expected return on scheme assets	<u>18,000</u>	<u>7,000</u>
Total	<u><u>(82,000)</u></u>	<u><u>(39,000)</u></u>
Actual return on scheme assets	<u><u>38,000</u></u>	<u><u>21,000</u></u>

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening defined benefit obligation	899,000	737,000
Current service cost	56,000	25,000
Interest cost	44,000	21,000
Contributions by scheme participants	19,000	9,000
Actuarial Losses	194,000	107,000
	<hr/>	<hr/>
Closing defined benefit obligation	1,212,000	899,000
	<hr/>	<hr/>

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

	2014 £	2013 £
Opening fair value of scheme assets	279,000	217,000
Expected return on assets	18,000	7,000
Actuarial gains and (losses)	24,000	13,000
Contributions by employer	62,000	33,000
Contributions by employees	19,000	9,000
	<hr/>	<hr/>
	402,000	279,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £264,000 (2013 - £94,000).

The academy expects to contribute £63,000 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	64.00 %	65.00 %
Gilts	6.00 %	8.00 %
Other Bonds	11.00 %	9.00 %
Property	12.00 %	11.00 %
Cash	11.00 %	8.00 %
Alternative Assets	4.00 %	4.00 %

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

	2014	2013
RPI increases	3.40 %	3.70 %
CPI increases	2.60 %	2.90 %
Salary increases	4.40 %	4.70 %
Pension increases	2.60 %	2.90 %
Discount rate	3.90 %	4.70 %

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	22.7	22.7
Females	25.1	25.3
Retiring in 20 years		
Males	24.9	24.2
Females	27.4	26.9

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(1,212,000)	(899,000)
Scheme assets	402,000	279,000
Deficit	<u>(810,000)</u>	<u>(620,000)</u>
Experience adjustments on scheme liabilities	(194,000)	(107,000)
Experience adjustments on scheme assets	<u>24,000</u>	<u>13,000</u>

26. 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>3,200</u>	<u>3,200</u>

27. RELATED PARTY TRANSACTIONS

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

There were no related party transactions in the year.

28. CONTROLLING PARTY

There is no ultimate controlling party.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

29. 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.