

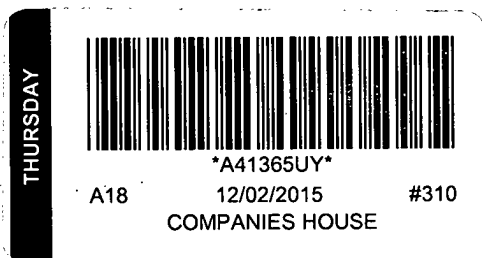
Registration number: 08411590

Biggin Hill Primary Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2014



Forrester Boyd Robson Limited
Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT



Biggin Hill Primary Academy

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Biggin Hill Primary Academy

Reference and Administrative Details

Members

Mrs K Cutler
Mr R Marsden
Ms C Stevenson (until 5 February 2014)
Mr R Sippel (appointed 5 February 2014)

Governors and Trustees (Directors)

Mr A Chaffey, Principal (i) (ii)
Mrs K Cutler, Chair (i) (ii)
Mr R Marsden, Vice Chair (i)
Ms C Stevenson, (i) (resigned 5 February 2014)
Mr P Plumb, Staff Governor (ii)
Ms R Bloom, (ii)
Mrs I Clarke, Staff Governor (ii)
Mr R Grannon
Cllr A Harrison, (ii)
Mrs G Hodgson, Staff Governor (i)
Ms T Dingle, (ii)
Mr R Sippel, (i)

(i) member of the Finance & Resources Committee
(ii) member of the Learning & Teaching Committee



Biggin Hill Primary Academy

Reference and Administrative Details (continued)

Company Secretary Mrs G Sleightholme

Senior Management Team Mr A Chaffey, Principal
Mr S Clark, Vice Principal
Mrs L Emerson, Assistant Principal
Mrs M Wilson, Assistant Principal

Company Registration Number 08411590

Auditors Forrester Boyd Robson Limited
Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT
15 October 2014

Bankers Lloyds Banking Group
1 - 7 George Street
Hull
HU1 3BB

Solicitors Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG



Biggin Hill Primary Academy

Trustees' Report for the Year Ended 31 August 2014

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

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 8411590.

The governors act as the trustees for the charitable activities of Biggin Hill Primary Academy, Hull 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.

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.

Trustees' indemnities

The Academy through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Governors. The insurance provides cover up to £2,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The members may appoint up to 16 Governors and must have a minimum of 2 Parent Governors.

The members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy does not exceed one third of the total number of Governors.

The Headteacher shall be treated for all purposes as being an ex officio Governor.

The Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of pupils at the Academy at the time when he/she is elected.

The Secretary of State may also appoint additional Governors if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy. The Secretary of State has not appointed any additional Governors.



Biggin Hill Primary Academy

Trustees' Report for the Year Ended 31 August 2014 (continued)

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees will be given a tour of the Academy and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

Organisational structure

The Academy structure now consists of the Trustees and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for approving policies, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, and senior staff appointments.

The Senior Leadership Team members are the Principal, Vice Principal, and Assistant Principals. These managers lead the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The Principle, or Vice Principle sign all purchase orders and authorise all payments / spending within the Academy.

Connected organisations, including related party relationships

Biggin Hill Primary Academy is an individual converter Academy which is a member of the Bransholme and District Academies Partnership.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of Biggin Hill Primary Academy, Hull, to provide education for students of different abilities between the ages of 3 and 11.

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



Biggin Hill Primary Academy

Trustees' Report for the Year Ended 31 August 2014 (continued)

Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2014 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all students;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

The Academy also provides the following activities:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff;
- a programme of sporting and after school leisure activities for all students;
- a system of after school clubs;
- a programme of enrichment opportunities for all students.

Public benefit

The Academy provides educational services to all children in the local area. The Governors 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.

The primary purpose of Biggin Hill Primary Academy is the advancement of education within Hull, East Yorkshire. To this end, it now runs as an Academy aspiring towards the highest possible standards for approximately 610 students aged 3 - 11.

Inextricably linked with this purpose is the aim of contributing to the public good. Through the provision of educational activities and extracurricular activities, the Academy aims to contribute considerable benefit to the local community.

The Academy involves the community in the following activities

- Access to sport facilities
- Adult learning opportunities
- Family learning opportunities

The Academy has given a high priority to providing public benefit to a cross section of the community, but perhaps the greatest benefit that the Academy can offer is the provision of an education that maximises each student's potential to develop principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

The aforementioned objectives, activities, achievements and performance further serve to emphasise the benefit the Academy brings to the public.

The Trustees have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission.



Biggin Hill Primary Academy

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Achievements and performance

Key financial performance indicators

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The Academy also receives grants for fixed assets from the DfE. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (Sorp 2005).

The restricted fixed assets fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The school results compared against national averages are shown on the next page.

Going concern

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

Financial review

During the period ended 31 August 2014, total expenditure of £2,650,264 was more than covered by the recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period was £86,197.

At 31 August 2014 the net book value of fixed assets was £5,334,135 and movements in tangible fixed assets are shown in note 12 to the financial statements.

The Academy's associate staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £966,000.

Reserves policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The amount of reserves the Academy can hold in the DfE GAG fund is limited. The amount of free reserves that can be held is not limited by the DfE. Trustees will agree a more detailed policy on all reserves during 2014/2015.

Investment policy

The Trustees agree all investments made by the Academy. Investments are currently restricted to deposit and money market accounts in all UK banks.

Biggin Hill Primary Academy

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Achievements and performance - The SATs results for May 2014 are as follows:

2014 KS2 SAT results (unvalidated)*

	Below L3		L3+		L4+		L4b+		L5+		L6	
	S	N	S	N	S	N	S	N	S	N	S	N
Maths	2%	4%	98%	96%	90%	86%	80%	76%	51%	51%	11%	9%
Reading	2%	5%	98%	95%	95%	89%	84%	78%	64%	49%	0%	0%
Writing	0%	4%	97%	96%	96%	85%	***	***	34%	33%	3%	2%
English	5%	6%	95%	94%	94%	76%	62%	68%	48%	52%	0%	4%

S = School

N = National

*the above data does not include pupils that will be dis-applied from the tests. Validated data which will be available in January 2015 includes changes to the school and national data. The school data will improve because two pupils who were new to the country will be dis-applied.

2014 KS1 SAT results

	Below L1		L1+		L2c+		L2b+		L2a+		L3	
	S	N	S	N	S	N	S	N	S	N	S	N
Reading	1%	2%	99%	98%	91%	90%	87%	81%	55%	57%	26%	31%
Writing	1%	2%	99%	97%	91%	86%	78%	70%	43%	39%	19%	16%
Maths	0%	1%	100%	98%	93%	92%	86%	80%	38%	53%	23%	24%

S = School

N = National





Biggin Hill Primary Academy

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Principal risks and uncertainties

The Academy is subject to a number of risks and uncertainties in common with other academies. The principal risk and uncertainties are centred around changes in the level of funding from the DfE/EFA. In addition, the Academy is a member of the Local Government Pension (LGPS), which may result in significant movements each year. The Academy has in place procedures to identify and mitigate financial risks. These are discussed further in the Risk Management section of this report and in the Governance Statement.

Risk management

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

Plans for future periods

The Academy will continue striving to improve the levels of performance of its students at all levels by ensuring that the main objectives are achieved.



Biggin Hill Primary Academy

Trustees' Report for the Year Ended 31 August 2014 (continued)

Auditor

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 21/2/2014 and signed on its behalf by:

Mrs K Cutler
Governor and trustee



Biggin Hill Primary Academy

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Biggin Hill 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 Governing Body has delegated the day-to-day responsibility to Mr A Chaffey, 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 Biggin Hill Primary 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Chaffey	3	3
Mrs K Cutler	3	3
Mr R Marsden	3	3
Ms C Stevenson	1	1
Mr P Plumb	3	3
Ms R Bloom	2	3
Mrs I Clarke	3	3
Mr R Grannon	2	3
Ms T Dingle	2	3
Mr R Sippel	3	3
Mrs G Hodgson	3	3

The Finance and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to The Finance Personnel and Administration Committee is a sub-committee of the main Governing Body and it is now called the Resource Committee. Its purpose is to monitor closely the financial performance of the Academy.

This Committee also assesses RO and external audit reports and reports to the governing body. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Chaffey	3	3
Mrs K Cutler	2	3
Mrs G Hodgson	3	3
Mr R Marsden	3	3
Mr R Sippel	3	3



Biggin Hill Primary Academy

Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Biggin Hill Primary Academy for the year ended 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 Trust 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 Trust's significant risks that has been in place for the year ending 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Resources 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 has decided:

- not to appoint an internal auditor. However the Trustees have appointed Forrester Boyd Robson Limited, the external auditor, to perform additional checks

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the 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.

There were no material control or other issues reported by the external auditor to date.

Review of effectiveness

As Accounting Officer, Mr A Chaffey 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 auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

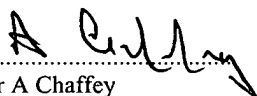


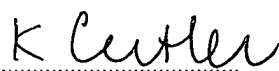
Biggin Hill Primary Academy

Governance Statement (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 2/12/2014 and signed on its behalf by:


.....
Mr A Chaffey
Governor and trustee


.....
Mrs K Cutler
Governor and trustee



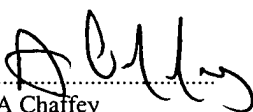
Biggin Hill Primary Academy

Statement on Regularity, Propriety and Compliance

As accounting officer of Biggin Hill Primary Academy I have considered my responsibility to notify the academy trust 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 trust 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 trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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


.....
Mr A Chaffey
Accounting officer

2/12/2014



Biggin Hill Primary Academy

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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 on 21/2/2014 and signed on its behalf by:



Mrs K Cutler
Governor and trustee



Biggin Hill Primary Academy

Independent Auditor's Report on the Financial Statements to the members of Biggin Hill Primary Academy

We have audited the financial statements of Biggin Hill 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 14), the trustees (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 (APB'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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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 the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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



Biggin Hill Primary Academy

Independent Auditor's Report on the Financial Statements to the members of Biggin Hill Primary Academy (continued)

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

Forrester Boyd Robson Ltd

Michael Beckett BA FCA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Robson Limited, Statutory Auditor

Kingfisher Court,
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: *8/12/2014*



Biggin Hill Primary Academy

Independent Reporting Accountant's Assurance Report on Regularity to Biggin Hill Primary Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 15 October 2014 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 Biggin Hill Primary Academy during the period 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 the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 28 March 2013 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 from 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 Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

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 from 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Biggin Hill Primary Academy

**Independent Reporting Accountant's Assurance Report on Regularity to Biggin Hill
Primary Academy and the Education Funding Agency (continued)**

Forrester Boyd Robson Ltd

Michael Beckett BA FCA

For and on behalf of Forrester Boyd Robson Limited, Chartered Accountants

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: *8/12/2014*



Biggin Hill Primary Academy

Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income						
Transfer on conversion	2	-	-	-	-	4,697,620
Other voluntary income	2	62,504	-	-	62,504	20,397
Activities for generating funds	3	35,322	-	-	35,322	902
Investment income	4	529	-	-	529	139
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	2,628,355	9,751	2,638,106	1,111,206
Total incoming resources		98,355	2,628,355	9,751	2,736,461	5,830,264
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		-	-	-	-	6,161
<i>Charitable activities:</i>						
Academy's educational operations		47,730	2,539,232	52,074	2,639,036	1,027,452
Governance costs	8	-	11,228	-	11,228	15,007
Total resources expended	6	47,730	2,550,460	52,074	2,650,264	1,048,620
Net incoming/(outgoing) resources before transfers		50,625	77,895	(42,323)	86,197	4,781,644
Net income/(expenditure) for the year		50,625	77,895	(42,323)	86,197	4,781,644
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	24	-	(99,000)	-	(99,000)	29,000
Net movement in funds/(deficit)		50,625	(21,105)	(42,323)	(12,803)	4,810,644



Biggin Hill Primary Academy

Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Reconciliation of funds					
Funds/(deficit) brought forward at 1 September 2013	<u>235,167</u>	<u>(801,452)</u>	<u>5,376,930</u>	<u>4,810,645</u>	<u>-</u>
Funds/(deficit) carried forward at 31 August 2014	<u>285,792</u>	<u>(822,557)</u>	<u>5,334,607</u>	<u>4,797,842</u>	<u>4,810,644</u>

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

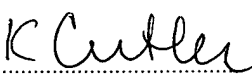
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.



Biggin Hill Primary Academy
(Registration number: 08411590)
Balance Sheet as at 31 August 2014

	Note	31 August 2014 £	31 August 2013 £
Fixed assets			
Tangible assets	12	5,334,135	5,376,930
Current assets			
Debtors	13	103,402	142,664
Cash at bank and in hand		<u>401,685</u>	<u>439,406</u>
		505,087	582,070
Creditors: Amounts falling due within one year	14	<u>(75,380)</u>	<u>(274,356)</u>
Net current assets		<u>429,707</u>	<u>307,714</u>
Total assets less current liabilities		<u>5,763,842</u>	<u>5,684,644</u>
Net assets excluding pension liability		5,763,842	5,684,644
Pension scheme liability	24	<u>(966,000)</u>	<u>(874,000)</u>
Net assets including pension liability		<u><u>4,797,842</u></u>	<u><u>4,810,644</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		143,444	72,548
Restricted fixed asset fund		5,334,607	5,376,930
Restricted pension fund		<u>(966,000)</u>	<u>(874,000)</u>
		4,512,051	4,575,478
Unrestricted funds			
Unrestricted general fund		<u>285,791</u>	<u>235,166</u>
Total funds		<u><u>4,797,842</u></u>	<u><u>4,810,644</u></u>

The financial statements on pages 19 to 42 were approved by the Trustees, and authorised for issue on ~~21/2/2014~~ and signed on their behalf by:



 Mrs K Cutler
 Governor and trustee



Biggin Hill Primary Academy

Cash Flow Statement for the Year Ended 31 August 2014

	Note	31 August 2014 £	31 August 2013 £
Net cash (outflow)/inflow from operating activities	18	(38,722)	6,065,350
Cash transferred on conversion to an academy trust		-	(251,867)
Returns on investments and servicing of finance	19	529	139
Capital expenditure and financial investment	20	472	(5,374,216)
(Decrease)/increase in cash in the year	21	<u>(37,721)</u>	<u>439,406</u>

Reconciliation of net cash flow to movement in net funds

(Decrease)/increase in cash in the year	(37,721)	439,406
Net funds at 1 September 2013	<u>439,406</u>	-
Net funds at 31 August 2014	<u>401,685</u>	<u>439,406</u>

All of the cash flows are derived from continuing operations during the above two periods.



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

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

Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Donations

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

Other income

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



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting policies (continued)

Donated services and gifts in kind

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

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

Tangible fixed assets

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction 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.



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting policies (continued)

Asset class	Depreciation method and rate
Leasehold Land & Buildings	Over the residual period of the lease and 10% on a straight line basis
Computer Equipment	33% on a straight line basis
Furniture & Equipment	33% on a straight line basis

Leased assets

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

Taxation

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

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

2 Voluntary income

	Unrestricted funds £	Total 2014 £	Total 31 August 2013 £
Transfer on conversion	-	-	4,697,620
Other voluntary income			
Educational trips and visits	17,734	17,734	7,781
School Uniform & Other Sales	7,192	7,192	3,703
Misc Income	37,504	37,504	7,247
Other donations	74	74	1,666
	<u>62,504</u>	<u>62,504</u>	<u>20,397</u>
Total voluntary income	<u>62,504</u>	<u>62,504</u>	<u>4,718,017</u>

3 Activities for generating funds

	Unrestricted funds £	Total 2014 £	Total 31 August 2013 £
Hire of facilities	2,601	2,601	-
Catering income	1,523	1,523	902
Recharges and reimbursements	30,997	30,997	-
Other sales	201	201	-
	<u>35,322</u>	<u>35,322</u>	<u>902</u>



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

4 Investment income

	Unrestricted funds £	Total 2014 £	Total 31 August 2013 £
Interest Received	529	529	139

5 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 31 August 2013 £
DfE/EFA capital grants				
Devolved Capital Funding	-	9,751	9,751	4,034
DfE/EFA revenue grants				
General Annual Grant	2,127,770	-	2,127,770	899,296
Pupil Premium	337,136	-	337,136	110,775
Start Up Grant	-	-	-	25,000
	<u>2,464,906</u>	<u>-</u>	<u>2,464,906</u>	<u>1,035,071</u>
Other government grants				
SEN and Early Years Funding	163,449	-	163,449	72,101
Total grants	<u>2,628,355</u>	<u>9,751</u>	<u>2,638,106</u>	<u>1,111,206</u>



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2014 £	Total 31 August 2013 £
Costs of generating voluntary income	-	-	-	-	6,161
Academy's educational operations					
Direct costs	1,902,428	43,545	133,743	2,079,716	809,552
Allocated support costs	<u>133,568</u>	<u>202,327</u>	<u>223,425</u>	<u>559,320</u>	<u>217,900</u>
	2,035,996	245,872	357,168	2,639,036	1,027,452
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>11,228</u>	<u>11,228</u>	<u>15,007</u>
	<u><u>2,035,996</u></u>	<u><u>245,872</u></u>	<u><u>368,396</u></u>	<u><u>2,650,264</u></u>	<u><u>1,048,620</u></u>



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

6 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	31 August 2014 £	31 August 2013 £
Fees payable to auditor - audit	5,060	5,060
- other audit services	1,825	1,300
	<u>6,885</u>	<u>6,360</u>

7 Charitable activities

	Total 2014 £	Total 31 August 2013 £
Direct costs - educational operations		
Teaching and educational support staff costs	1,902,428	758,030
Depreciation	43,545	-
Technology costs	6,236	-
Educational supplies	108,175	46,135
Staff development	7,689	2,037
Educational consultancy	11,643	3,350
	<u>2,079,716</u>	<u>809,552</u>
Support costs - educational operations		
Support staff costs	172,568	68,198
FRS 17 service cost adjustment	(39,000)	(14,000)
Depreciation	8,529	1,320
Maintenance of premises and equipment	50,444	13,179
Cleaning	46,789	11,544
Rent, rates and utilities	56,057	22,422
Insurance	40,508	17,291
Recruitment and support	1,103	136
Security and transport	3,978	1,045
Catering	105,521	50,194
Expected return on scheme assets	(33,000)	(9,000)
Interest on defined benefit pension scheme	65,000	24,000
Other support costs	80,823	31,571
	<u>559,320</u>	<u>217,900</u>
	<u>2,639,036</u>	<u>1,027,452</u>



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

8 Governance costs

	Total 2014 £	Total 31 August 2013 £
Legal and professional fees	4,343	8,647
Auditors' remuneration		
Audit of financial statements	5,060	5,060
Other audit services	1,825	1,300
	<u>11,228</u>	<u>15,007</u>

9 Staff costs

	2014 £	31 August 2013 £
Staff costs during the year were:		
Wages and salaries	1,670,722	667,777
Social security costs	108,681	43,472
Pension costs	256,593	100,979
	<u>2,035,996</u>	<u>812,228</u>

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

	31 August 2014 No	31 August 2013 No
Charitable Activities		
Teachers	25	24
Administration and support	41	43
Management	4	3
	<u>70</u>	<u>70</u>

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

	31 August 2014 No	31 August 2013 No
£70,001 - £80,000	<u>1</u>	<u>1</u>



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

9 Staff costs (continued)

1 (2013 - 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 £10,719 (2013 - £4,327).

10 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

Mr A Chaffey (Principal): £75,000 - £80,000 (2013 - £30,000 - £35,000)

Mrs G Hodgson (Teacher): £35,000 - £40,000 (2013 - £15,000 - £20,000)

Mrs I Clarke (Teachers Aide): £15,000 - £20,000 (2013 - £5,000 - £10,000)

Mr P Plumb (Teachers Aide): £10,000 - £15,000 (2013 - £0 - £5,000)

During the year ended 31 August 2014, travel and expenses totalling £445 (2013 - £Nil) were reimbursed to 1 trustees (2013 - 0).

Related party transactions involving the trustees are set out in note 25.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2014 was £835.

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



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2013	5,355,000	-	23,250	5,378,250
Additions	4,210	2,136	2,933	9,279
At 31 August 2014	5,359,210	2,136	26,183	5,387,529
Depreciation				
At 1 September 2013	-	-	1,320	1,320
Charge for the year	42,840	705	8,529	52,074
At 31 August 2014	42,840	705	9,849	53,394
Net book value				
At 31 August 2014	5,316,370	1,431	16,334	5,334,135
At 31 August 2013	5,355,000	-	21,930	5,376,930

13 Debtors

	31 August 2014 £	31 August 2013 £
Prepayments	18,148	44,359
Accrued grant and other income	64,967	72,548
VAT recoverable	20,287	25,757
	103,402	142,664

14 Creditors: amounts falling due within one year

	31 August 2014 £	31 August 2013 £
Trade creditors	12,050	120,079
Other taxation and social security	-	60,491
Other creditors	-	1,476
Pension scheme creditor	-	63,383
Accruals	26,535	5,060
Deferred income	36,795	23,867
	75,380	274,356



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

14 Creditors: amounts falling due within one year (continued)

	31 August 2014 £
Deferred income at 1 September 2013	23,867
Resources deferred in the period	36,795
Amounts released from previous periods	<u>(23,867)</u>
Deferred income at 31 August 2014	<u>36,795</u>

Deferred income relates to capital income funding received for the period April 2014 to March 2015 as well as Universal Free School Meal funding received in June 2014 for the period September 2014 to March 2015.

15 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant	-	2,127,770	(1,984,326)	-	143,444
Pupil Premium	43,950	337,136	(381,086)	-	-
SEN & Early Years Funding	28,598	163,449	(192,047)	-	-
	<u>72,548</u>	<u>2,628,355</u>	<u>(2,557,459)</u>	<u>-</u>	<u>143,444</u>
Restricted fixed asset funds					
DfE Capital Grant	4,034	9,751	-	-	13,785
Donated Assets from Local Authority	5,355,000	-	(52,074)	-	5,302,926
Expenditure transferred from GAG	17,896	-	-	-	17,896
	<u>5,376,930</u>	<u>9,751</u>	<u>(52,074)</u>	<u>-</u>	<u>5,334,607</u>
Restricted pension funds					
Pension Liability	(874,000)	-	7,000	(99,000)	(966,000)
Total restricted funds	4,575,478	2,638,106	(2,602,533)	(99,000)	4,512,051
Unrestricted funds					
Unrestricted general funds	235,166	98,355	(47,730)	-	285,791
Total funds	<u>4,810,644</u>	<u>2,736,461</u>	<u>(2,650,263)</u>	<u>(99,000)</u>	<u>4,797,842</u>



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

15 Funds (continued)

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

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

SEN funding is provided for the provision of services for children with special educational needs.

Pupil Premium Grant, which may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year.

Devolved capital allocated direct by the DfE must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

The donated assets income represents the transfer of leasehold assets valued at £5,355,000 per a valuation in October 2013 by Eddisons Chartered Surveyors, into the Academy Trust on conversion to academy status depreciated over a 125 year period.

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

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	5,334,135	5,334,135
Current assets	285,791	218,824	472	505,087
Current liabilities	-	(75,380)	-	(75,380)
Pension scheme liability	-	(966,000)	-	(966,000)
Total net assets	<u>285,791</u>	<u>(822,556)</u>	<u>5,334,607</u>	<u>4,797,842</u>

17 Financial commitments

Operating leases

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



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

17 Financial commitments (continued)

Operating leases which expire:

	31 August 2014 £	31 August 2013 £
Other		
Within two to five years	3,966	8,166

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

	31 August 2014 £	31 August 2013 £
Net income	86,197	4,781,644
Depreciation	52,074	1,320
Cash transferred on conversion to an academy trust	-	251,867
Donated capital and capital grants	(9,751)	(4,034)
Interest receivable	(529)	(139)
FRS 17 expected return on scheme assets	(33,000)	(9,000)
FRS 17 interest on defined benefit pension scheme	65,000	24,000
FRS17 service cost adjustment	(39,000)	(14,000)
Decrease/(increase) in debtors	39,262	(142,664)
(Decrease)/increase in creditors	(198,976)	274,356
Inherited Pension	-	902,000
Net cash (outflow)/inflow from operating activities	(38,723)	6,065,350

19 Returns on investments and servicing of finance

	31 August 2014 £	31 August 2013 £
Interest received	529	139
Net cash inflow from returns on investments and servicing of finance	529	139

20 Capital expenditure and financial investment

	31 August 2014 £	31 August 2013 £
Purchase of tangible fixed assets	(9,279)	(5,378,250)
Capital grants from DfE	9,751	4,034
Fixed Assets Transferred	-	(5,355,000)
Net cash inflow/(outflow) from capital expenditure and financial investment	472	(10,729,216)



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

21 Analysis of changes in net funds

	At 1 September 2013	Cash flows	At 31 August 2014
	£	£	£
Cash at bank and in hand	<u>439,406</u>	<u>(37,721)</u>	<u>401,685</u>

22 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by the reference to:

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy, and
- b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State under the funding agreement.

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.

24 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by East Riding Pension Fund. 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 was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £Nil (2013 - £63,383) were payable to the schemes at 31 August and are included within creditors.



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (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.



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

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 since 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 17 (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 the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £194,000 (2013 - £73,000), of which employer's contributions totalled £165,000 (2013 - £62,000) and employees' contributions totalled £29,000 (2013 - £11,000). The agreed contribution rates for future years are 30.4 per cent for employers and 5.5 - 12.5 per cent 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.



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2014 %	At 31 August 2013 %
Rate of increase in salaries	4.00	5.10
Rate of increase for pensions in payment/inflation	2.70	2.80
Discount rate for scheme liabilities	<u>3.70</u>	<u>4.60</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.5% £	0.0% £	- 0.5% £
Adjustment to discount rate			
Present value of total obligation	<u>-</u>	<u>-</u>	<u>208,000</u>
Adjustment to rate of salary growth			
Present value of total obligation	<u>88,000</u>	<u>-</u>	<u>-</u>
Adjustment to mortality age rating assumption			
Present value of total obligation	<u>50,000</u>	<u>-</u>	<u>-</u>

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

	At 31 August 2014	At 31 August 2013
Retiring today		
Males retiring today	21.90	22.90
Females retiring today	24.10	25.70
Retiring in 20 years		
Males retiring in 20 years	24.20	24.90
Females retiring in 20 years	<u>26.70</u>	<u>27.70</u>

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



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

	At 31 August 2014 £	At 31 August 2013 £
Equities	545,000	350,000
Other bonds	71,000	46,000
Property	50,000	27,000
Cash	43,000	32,000
	<hr/>	<hr/>
Total market value of assets	709,000	455,000
Present value of scheme liabilities - funded	(1,675,000)	(1,329,000)
	<hr/>	<hr/>
Deficit in the scheme	(966,000)	(874,000)
	<hr/>	<hr/>

The expected rates of return were:

	At 31 August 2014 %	At 31 August 2013 %
Equities	6.40	6.70
Other bonds	3.20	3.80
Property	4.50	4.70
Cash	3.30	3.60
	<hr/>	<hr/>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £60,000 (2013 - £5,000).



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	31 August 2014 £	31 August 2013 £
Current service cost	126,000	48,000
Total operating charge	126,000	48,000

Analysis of pension finance income/(costs)

	31 August 2014 £	31 August 2013 £
Expected return on pension scheme assets	33,000	9,000
Interest on pension liabilities	(65,000)	(24,000)
Pension finance costs	(32,000)	(15,000)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£70,000) (2013 - £29,000).

Movements in the present value of defined benefit obligation

	31 August 2014 £	31 August 2013 £
At 1 September	1,329,000	1,280,000
Current service cost	126,000	48,000
Interest cost	65,000	24,000
Employee contributions	29,000	11,000
Actuarial losses/(gains)	126,000	(34,000)
At 31 August	1,675,000	1,329,000

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

	31 August 2014 £	31 August 2013 £
At 1 September	455,000	378,000
Expected return on assets	33,000	9,000
Actuarial gains/(losses)	27,000	(5,000)
Employer contributions	155,000	62,000
Employee contributions	29,000	11,000
At 31 August	699,000	455,000

The estimated value of employer contributions for next period is £155,000 (2013 - £147,000).

History of experience adjustments

Amounts for the current and previous period are as follows:



Biggin Hill Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

	31 August 2014 £	31 August 2013 £
Present value of scheme liabilities	(1,675,000)	(1,329,000)
Fair value of scheme assets	<u>709,000</u>	<u>455,000</u>
Deficit in the scheme	<u>(966,000)</u>	<u>(874,000)</u>

25 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have 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.