

Registration number: 08411590

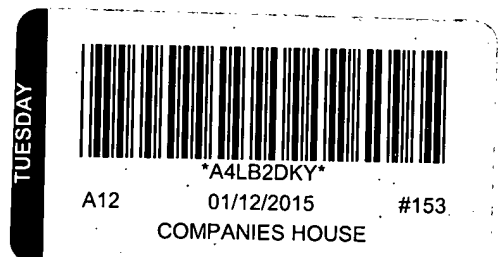
# Biggin Hill Primary Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2015

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  
Mr R Sippel

#### **Governors and Trustees (Directors)**

Mr A Chaffey, Principal (i) (ii)  
Mrs K Cutler, Chair (i) (ii)  
Mr R Marsden, Vice Chair (i)  
Mr P Plumb, Staff Governor (ii)  
Ms R Bloom, (ii)  
Mrs I Clarke, Staff Governor (ii)  
Mr R Grannon (resigned 1 September 2014)  
Cllr A Harrison, (ii)  
Mrs G Hodgson, Staff Governor (i)  
Ms T Dinger, (i) (ii)  
Mr R Sippel, (i)  
Mr J Marsden (appointed 1 March 2015)  
Ms V Rand (appointed 1 March 2015)

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

## **Biggin Hill Primary Academy**

### **Reference and Administrative Details (continued)**

<b>Company Secretary</b>	Mrs G Sleightholme
<b>Senior Management Team</b>	Mr A Chaffey, Principal Mr S Clark, Vice Principal Mrs L Emerson, Assistant Principal Mrs M Wilson, Assistant Principal
<b>Principal and Registered Office</b>	Biggin Avenue Hull HU7 4RL
<b>Bankers</b>	Lloyds Banking Group 1 - 7 George Street Hull HU1 3BB
<b>Solicitors</b>	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
<b>Company Registration Number</b>	08411590
<b>Auditors</b>	Forrester Boyd Robson Limited Kingfisher Court Plaxton Bridge Road Woodmansey Beverley HU17 0RT 11 August 2015

## **Biggin Hill Primary Academy**

### **Trustees' Report for the Year Ended 31 August 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. 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 company's Memorandum and Articles of Association are the primary governing documents of the Academy. 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.

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 2015 (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.

As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

#### ***Organisational structure***

The Academy structure now consists of two levels: 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 setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, and senior staff appointments.

The Senior Leadership Team members are the Headteacher, Deputy Headteacher, two Assistant Headteacher's, 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 Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The Headteacher, Deputy Headteacher and School Business Manager sign all purchase orders within the Academy.

#### ***Connected organisations, including related party relationships***

Biggin Hill Primary Academy is an individual convertor Academy which is a member of the ICA Trust.

Governors are drawn from the local community and from time to time it is possible that the Academy will enter into transactions with organisations in which a Trustee or Governor has an interest. All such transactions are reflected in the Trusts' Register of Business Interests. These are duly considered by the Governing Body on a regular basis to ensure all such transactions are in line with the Academies Handbook requirements.

#### **Objectives and activities**

##### ***Objects and aims***

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

We endeavor to provide an enjoyable, enriched educational experience, relevant and meaningful for every child:

- To create a caring environment in which each child feels happy, secure and motivated to learn.
- To identify value and positively foster his/her individual talents.
- To offer pupils a curriculum which is coordinated, differentiated and challenging.
- To encourage independence of mind and a questioning spirit.
- To promote an awareness of moral values, service, friendship and the communal responsibility of all.

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 2015 (continued)**

#### ***Objectives, strategies and activities***

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

##### **Key Priorities:**

- To continue to raise standards of attainment and progress throughout the school and increase level of teaching to consistently outstanding, within the New Curriculum.
- Continue to raise standards in English throughout the school – (including the new curriculum).
- Continue to raise standards in Maths throughout the school – (including the new curriculum).
- Continue to ensure high quality provision throughout the new Foundation Stage Unit.
- Continue to develop inclusion throughout the school specifically with reference to the SEN code of practice.

##### **Secondary Priorities:**

- To ensure coverage of the new curriculum in all areas.
  - To develop links within ICA umbrella trust, including school to school support.
  - Ensuring that pay is performance related and staff have opportunities to develop and meet CPD targets.
  - Ensuring that all staff develop as leaders and therefore a middle tier of leaders is developed - succession planning.
  - Ensuring the curriculum is relevant to the childrens' experiences; linked to their interests; promotes thinking and independence and develops key basic skills.
- 
- a system of after school clubs;
  - a programme of enrichment opportunities for all students.

## **Biggin Hill Primary Academy**

### **Trustees' Report for the Year Ended 31 August 2015 (continued)**

#### ***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.

The primary purpose of Biggin Hill Primary Academy, Hull is the advancement of education within Hull. To this end, it now runs as an Academy aspiring towards the highest possible standards for approximately 617 students aged 3-11. The local Secondary Academy will become the natural progression for the majority of students at Biggin Hill Primary Academy and will contribute to the community ethos. The Academy continues to be full in the majority of classes.

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 2015 (continued)**

#### **Strategic Report**

##### **Achievements and performance**

The Academy has recently had an Ofsted inspection with the overall rating of the School being judged to be Outstanding. Compared with the Schools last inspection (pre Academy status) the School has managed to improve all aspects of the inspection's results and is now judged to be Outstanding for Leadership and management.

##### **Key performance indicators**

###### **EYFS**

- 57% of pupils achieved a good level of development, this is below the national average of 61%.
- When children enter the nursery they have skills and knowledge which are well below what is typical for their age. They make good progress as they move through EYFS.

###### **KS1**

- Progress in KS1 is at least good as judged by recent OFSTED
- Because pupils start in year 1 below the national average by the end of year 2 pupils achieve national expectations.
- 2015 results show reading 81%, writing 70%, and maths 76% reading and writing are in line with national expectations, but just below national expectations in maths.
- The combined measure of reading, writing and maths is just below national averages.
- Outcomes are in line with targets for all subjects.

###### **KS2**

- Outcomes for 2015 for Key stage 2 pupils show that targets were at least met, some were exceeded.
- In reading, writing and maths outcomes for 2015 are all above national average for every performance indicators, several are significantly above.
- Progress in Y6 for 2015 was outstanding with all progress measure for reading, writing and maths being above national average, many of which were significantly above.

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##### ***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 2015, total expenditure of £2,669,567 was more than covered by the recurrent grant funding from the DfE together with other incoming resources of £2,933,390. The excess of income over expenditure for the period was £263,823.

At 31 August 2015 the net book value of fixed assets was £5,348,431 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 £976,000.

## **Biggin Hill Primary Academy**

### **Trustees' Report for the Year Ended 31 August 2015 (continued)**

#### **Strategic Report**

##### ***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 Trustees consider that the value of three months' worth of the schools monthly salary costs will be sufficient to cover the day to day working capital of the School and timing of expenses payable.

##### ***Investment policy***

The Trustees agree all investments made by the Academy. The Academy has invested £50,000 in a high interest account with Lloyds bank. Biggin Hill Primary Academy have invested surplus funds as per the investment policy. The Academy will seek to hold adequate cash reserves for the day to day running of the School in line with the reserves policy.

##### ***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.

## **Biggin Hill Primary Academy**

### **Trustees' Report for the Year Ended 31 August 2015 (continued)**

#### **Strategic Report**

##### ***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 and this is explained in more detail in the Governance Statement. Key risks have been identified below:

##### **Key Risks Identified:**

- Staff retention: This is possibly the biggest single risk would lie in failure to retain key staff, in particular the members of the Senior Leadership team however there are not deemed to be any immediate threats in this regard.
- Material decrease in funding: this is deemed to be highly unlikely. Academies funding has remained fairly consistent in recent years and the academies long term financial plan shows contingency against unwelcome future developments.
- Falling student numbers: the school is currently running close to capacity, with an outstanding Ofsted rating and local population rising the Trust is hopeful student numbers will be maintained.
- Cashflows: the Academies cashflows are in good health and the long term financial plan suggests that the cashflows will remain in good health for the foreseeable future.
- Staff recruitment: conversion to Academy status has not affected the attractiveness of the School for potential new staff.

##### **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**

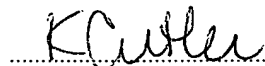
### **Trustees' Report for the Year Ended 31 August 2015 (continued)**

#### **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 **25/11/15** 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
Ms R Bloom	2	3
Mr A Chaffey	3	3
Mrs K Cutler	3	3
Mrs I Clarke	3	3
Ms T Dingle	3	3
Mrs G Hodgson	3	3
Mr R Marsden	3	3
Mr J Marsden	2	2
Mr P Plumb	3	3
Ms V Rand	2	2
Mr R Sippel	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. Its purpose is to monitor closely the financial performance of the Academy and to review all policies and practices relating to these areas.

Attendance at meetings during the year was as follows:

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

## **Biggin Hill Primary Academy**

### **Governance Statement (continued)**

#### **Review of value for money**

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

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

- Providing the Headteacher and Governors with up to date budget forecast and spending figures
- We always consider the best value for money in any of our projects that we undertake

#### **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 2015 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 2015 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

## Biggin Hill Primary Academy

### Governance Statement (continued)

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

- testing of banking controls
- testing of income controls

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.

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 25/11/15 and signed on its behalf by:



Mrs K Cutler  
Governor and trustee



Mr R Marsden  
Governor and trustee

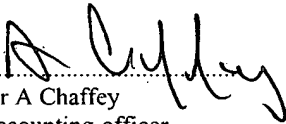
## **Biggin Hill Primary Academy**

### **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 for Education. 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

25/11/2015



## 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 2014 to 2015 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 2005;
- 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 25/11/15 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 2015, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 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 15), 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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction 2014 to 2015 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: *30/11/2015*

## **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 11 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Biggin Hill Primary Academy during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Annual Accounts Direction 2014 to 2015 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 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 2014 to 31 August 2015 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: *30/11/2015*

# Biggin Hill Primary Academy

## Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	39,817	-	-	39,817	62,504
Activities for generating funds	3	17,280	-	-	17,280	35,322
Investment income	4	799	-	-	799	529
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	2,859,395	16,099	2,875,494	2,638,106
Total incoming resources		57,896	2,859,395	16,099	2,933,390	2,736,461
<b>Resources expended</b>						
<i>Charitable activities:</i>						
Academy's educational operations		2,088	2,588,195	71,781	2,662,064	2,639,036
Governance costs	8	-	7,503	-	7,503	11,228
Total resources expended	6	2,088	2,595,698	71,781	2,669,567	2,650,264
Net incoming/(outgoing) resources before transfers		55,808	263,697	(55,682)	263,823	86,197
Gross transfers between funds		(1)	(69,505)	69,506	-	-
Net income for the year		55,807	194,192	13,824	263,823	86,197
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	24	-	(13,000)	-	(13,000)	(99,000)
Net movement in funds/(deficit)		55,807	181,192	13,824	250,823	(12,803)
<b>Reconciliation of funds</b>						
Total Funds/(deficit) brought forward at 1 September 2014		285,791	(822,556)	5,334,607	4,797,842	4,810,645

# **Biggin Hill Primary Academy**

## **Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)**

		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed Asset	2015	2014
		£	£	£	£	£
Total Funds/(deficit) carried forward at 31 August 2015		<u>341,598</u>	<u>(641,364)</u>	<u>5,348,431</u>	<u>5,048,665</u>	<u>4,797,842</u>

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

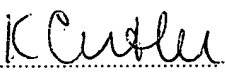
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

# **Biggin Hill Primary Academy**

**(Registration number: 08411590)**  
**Balance Sheet as at 31 August 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Fixed assets</b>			
Tangible assets	12	5,348,431	5,334,135
<b>Current assets</b>			
Debtors	13	126,658	103,402
Cash at bank and in hand		<u>794,660</u>	<u>401,685</u>
		921,318	505,087
Creditors: Amounts falling due within one year	14	<u>(245,084)</u>	<u>(75,380)</u>
Net current assets		<u>676,234</u>	<u>429,707</u>
Total assets less current liabilities		<u>6,024,665</u>	<u>5,763,842</u>
Net assets excluding pension liability		6,024,665	5,763,842
Pension scheme liability	24	<u>(976,000)</u>	<u>(966,000)</u>
Net assets including pension liability		<u><u>5,048,665</u></u>	<u><u>4,797,842</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		334,636	143,444
Restricted fixed asset fund		5,348,431	5,334,607
Restricted pension fund		<u>(976,000)</u>	<u>(966,000)</u>
		4,707,067	4,512,051
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>341,598</u>	<u>285,791</u>
Total funds		<u><u>5,048,665</u></u>	<u><u>4,797,842</u></u>

The financial statements on pages 20 to 41 were approved by the Trustees, and authorised for issue on 25/11/15 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 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Net cash inflow/(outflow) from operating activities	18	462,154	(38,722)
Returns on investments and servicing of finance	19	799	529
Capital expenditure and financial investment	20	<u>(69,978)</u>	<u>472</u>
Increase/(decrease) in cash in the year	21	<u><u>392,975</u></u>	<u><u>(37,721)</u></u>

### **Reconciliation of net cash flow to movement in net funds**

Increase/(decrease) in cash in the year	392,975	(37,721)
Net funds at 1 September 2014	<u>401,685</u>	<u>439,406</u>
Net funds at 31 August 2015	<u><u>794,660</u></u>	<u><u>401,685</u></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 2015**

#### **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 2014 to 2015 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**

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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 2015 (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 2015 (continued)

#### 1 Accounting policies (continued)

##### Asset class

Leasehold Land & Buildings

Computer Equipment

Furniture & Equipment

##### Depreciation method and rate

Over the residual period of the lease (125 years) and 10% on a straight line basis

33% and 20% on a straight line basis

33% and 20% 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 2015 (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 with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

#### 2 Voluntary income

	Unrestricted funds £	Total 2015 £	Total 2014 £
Educational trips and visits	3,283	3,283	17,734
School Uniform & Other Sales	2,632	2,632	7,192
Misc Income	30,280	30,280	37,504
Other donations	3,622	3,622	74
	<u>39,817</u>	<u>39,817</u>	<u>62,504</u>

#### 3 Activities for generating funds

	Unrestricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	1,958	1,958	2,601
Catering income	2,164	2,164	1,523
Recharges and reimbursements	12,382	12,382	30,997
Other sales	776	776	201
	<u>17,280</u>	<u>17,280</u>	<u>35,322</u>

#### 4 Investment income

	Unrestricted funds £	Total 2015 £	Total 2014 £
Interest Received	<u>799</u>	<u>799</u>	<u>529</u>

# Biggin Hill Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

### 5 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
<b>DfE/EFA capital grants</b>				
Devolved Capital Funding	-	16,099	16,099	9,751
<b>DfE/EFA revenue grants</b>				
General Annual Grant	2,192,919	-	2,192,919	2,127,770
Pupil Premium	410,148	-	410,148	337,136
UFSM	48,944	-	48,944	-
	<u>2,652,011</u>	<u>-</u>	<u>2,652,011</u>	<u>2,464,906</u>
<b>Other government grants</b>				
SEN and Early Years Funding	205,224	-	205,224	163,449
Other grants	2,160	-	2,160	-
	<u>207,384</u>	<u>-</u>	<u>207,384</u>	<u>163,449</u>
Total grants	<u>2,859,395</u>	<u>16,099</u>	<u>2,875,494</u>	<u>2,638,106</u>

### 6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £	Total 2014 £
<b>Academy's educational operations</b>					
Direct costs	1,907,850	47,082	128,980	2,083,912	2,079,716
Allocated support costs	150,271	203,948	223,933	578,152	559,320
	<u>2,058,121</u>	<u>251,030</u>	<u>352,913</u>	<u>2,662,064</u>	<u>2,639,036</u>
Governance costs including allocated support costs	-	-	7,503	7,503	11,228
	<u>2,058,121</u>	<u>251,030</u>	<u>360,416</u>	<u>2,669,567</u>	<u>2,650,264</u>

# **Biggin Hill Primary Academy**

## **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

### **6 Resources expended (continued)**

**Net incoming/outgoing resources for the year include:**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Fees payable to auditor - audit	5,060	5,060
- other audit services	2,443	1,825
Depreciation	<u>71,781</u>	<u>53,394</u>

### **7 Charitable activities**

	<b>Total</b>	<b>Total</b>
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Direct costs - educational operations</b>		
Teaching and educational support staff costs	1,907,850	1,902,428
Depreciation	47,082	43,545
Technology costs	8,818	6,236
Educational supplies	82,816	108,175
Staff development	5,615	7,689
Educational consultancy	<u>31,731</u>	<u>11,643</u>
	<u>2,083,912</u>	<u>2,079,716</u>
<b>Support costs - educational operations</b>		
Support staff costs	172,271	172,568
FRS 17 service cost adjustment	(22,000)	(39,000)
Depreciation	24,699	8,529
Maintenance of premises and equipment	<u>42,329</u>	<u>50,444</u>
Cleaning	65,129	46,789
Rent, rates and utilities	47,391	56,057
Insurance	24,400	40,508
Recruitment and support	919	1,103
Security and transport	4,362	3,978
Catering	121,300	105,521
Expected return on scheme assets	(46,000)	(33,000)
Interest on defined benefit pension scheme	65,000	65,000
Other support costs	<u>78,352</u>	<u>80,823</u>
	<u>578,152</u>	<u>559,320</u>
<b>Total direct and support costs</b>	<u><u>2,662,064</u></u>	<u><u>2,639,036</u></u>

# **Biggin Hill Primary Academy**

## **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

### **8 Governance costs**

	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Legal and professional fees	-	4,343
<b>Auditors' remuneration</b>		
Audit of financial statements	5,060	5,060
Other audit services	<u>2,443</u>	<u>1,825</u>
	<u><u>7,503</u></u>	<u><u>11,228</u></u>

### **9 Staff**

#### **Staff costs**

	<b>2015 £</b>	<b>2014 £</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	1,683,561	1,670,722
Social security costs	107,909	108,681
Pension costs	<u>266,651</u>	<u>256,593</u>
	<u><u>2,058,121</u></u>	<u><u>2,035,996</u></u>

#### **Staff numbers**

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

	<b>2015 No</b>	<b>2014 No</b>
<b>Charitable Activities</b>		
Teachers	26	25
Administration and support	45	41
Management	<u>4</u>	<u>4</u>
	<u><u>75</u></u>	<u><u>70</u></u>

#### **Higher paid staff**

The number of employees whose emoluments exceeded £60,000 was:



# **Biggin Hill Primary Academy**

## **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

### **9 Staff (continued)**

	2015 No	2014 No
£70,001 - £80,000	1	1
£90,001 - £100,000	-	-
	<u>1</u>	<u>-</u>

1 (2014 - 1) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £10,917 (2014 - £10,719).

### **10 Related party transactions - trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Mr A Chaffey (Principal):

Remuneration: £90,000 - £95,000 (2014 - £75,000 - £80,000)  
Employer's pension contributions: £10,000 - £15,000 (2014 - £10,000 - £15,000)

Mrs G Hodgson (Teacher):

Remuneration: £35,000 - £40,000 (2014 - £35,000 - £40,000)  
Employer's pension contributions: £5,000 - £10,000 (2014 - £5,000 - £10,000)

Mrs I Clarke (Teachers Aide):

Remuneration: £15,000 - £20,000 (2014 - £15,000 - £20,000)  
Employer's pension contributions: £5,000 - £10,000 (2014 - £5,000 - £10,000)

Mr P Plumb (Teachers Aide):

Remuneration: £10,000 - £15,000 (2014 - £10,000 - £15,000)  
Employer's pension contributions: £0 - £5,000 (2014 - £0 - £5,000)

During the year ended 31 August 2015, travel and subsistence expenses totalling £446 (2014 - £445) were reimbursed or paid directly to 1 trustees (2014 - 1).

Other 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 2015 was £656 (2014: £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 2015 (continued)**

### **12 Tangible fixed assets**

	<b>Leasehold land and buildings £</b>	<b>Furniture and equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 September 2014	5,359,210	2,136	26,183	5,387,529
Additions	<u>6,447</u>	<u>12,357</u>	<u>67,273</u>	<u>86,077</u>
At 31 August 2015	<u>5,365,657</u>	<u>14,493</u>	<u>93,456</u>	<u>5,473,606</u>
<b>Depreciation</b>				
At 1 September 2014	42,840	705	9,849	53,394
Charge for the year	<u>43,906</u>	<u>3,176</u>	<u>24,699</u>	<u>71,781</u>
At 31 August 2015	<u>86,746</u>	<u>3,881</u>	<u>34,548</u>	<u>125,175</u>
<b>Net book value</b>				
At 31 August 2015	<u>5,278,911</u>	<u>10,612</u>	<u>58,908</u>	<u>5,348,431</u>
At 31 August 2014	<u>5,316,370</u>	<u>1,431</u>	<u>16,334</u>	<u>5,334,135</u>

### **13 Debtors**

	<b>2015 £</b>	<b>2014 £</b>
Trade debtors	300	-
Prepayments	24,922	18,148
Accrued grant and other income	67,623	64,967
VAT recoverable	<u>33,813</u>	<u>20,287</u>
	<u>126,658</u>	<u>103,402</u>

### **14 Creditors: amounts falling due within one year**

	<b>2015 £</b>	<b>2014 £</b>
Trade creditors	188,483	12,050
Accruals	28,050	26,535
Deferred income	<u>28,551</u>	<u>36,795</u>
	<u>245,084</u>	<u>75,380</u>

# Biggin Hill Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

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

	2015 £
<b>Deferred income</b>	
Deferred income at 1 September 2014	36,795
Resources deferred in the period	28,551
Amounts released from previous periods	<u>(36,795)</u>
Deferred income at 31 August 2015	<u>28,551</u>

Deferred income relates to Universal Free School Meal funding received in July 2015 for the period September 2015 to March 2016.

### 15 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant	143,444	2,192,919	(1,932,222)	(69,505)	334,636
Pupil Premium	-	410,148	(410,148)	-	-
SEN & Early Years Funding	-	205,224	(205,224)	-	-
UIFSM	-	48,944	(48,944)	-	-
Other grants	-	2,160	(2,160)	-	-
	<u>143,444</u>	<u>2,859,395</u>	<u>(2,598,698)</u>	<u>(69,505)</u>	<u>334,636</u>
<b>Restricted fixed asset funds</b>					
DfE Capital Grant	13,785	16,099	(71,781)	41,897	-
Donated Assets from Local Authority	5,302,926	-	-	45,505	5,348,431
Expenditure transferred from GAG	17,896	-	-	(17,896)	-
	<u>5,334,607</u>	<u>16,099</u>	<u>(71,781)</u>	<u>69,506</u>	<u>5,348,431</u>
<b>Restricted pension funds</b>					
Pension Liability	(966,000)	-	3,000	(13,000)	(976,000)
Total restricted funds	4,512,051	2,875,494	(2,667,479)	(12,999)	4,707,067
<b>Unrestricted funds</b>					
Unrestricted general funds	285,791	57,896	(2,088)	(1)	341,598
Total funds	<u>4,797,842</u>	<u>2,933,390</u>	<u>(2,669,567)</u>	<u>(13,000)</u>	<u>5,048,665</u>

## Biggin Hill Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2015 (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 2015

#### 16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	5,348,431	5,348,431
Current assets	341,596	579,722	-	921,318
Current liabilities	-	(245,084)	-	(245,084)
Pension scheme liability	-	(976,000)	-	(976,000)
Total net assets	<u>341,596</u>	<u>(641,362)</u>	<u>5,348,431</u>	<u>5,048,665</u>

## Biggin Hill Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 17 Financial commitments

##### *Operating leases*

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

##### **Operating leases which expire:**

	2015 £	2014 £
<b>Other</b>		
Within two to five years	<u>3,800</u>	<u>3,966</u>

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

	2015 £	2014 £
Net income	263,823	86,197
Depreciation	71,781	52,074
Donated capital and capital grants	(16,099)	(9,751)
Interest receivable	(799)	(529)
FRS 17 expected return on scheme assets	(46,000)	(33,000)
FRS 17 interest on defined benefit pension scheme	65,000	65,000
FRS17 service cost adjustment	(22,000)	(39,000)
(Increase)/decrease in debtors	(23,256)	39,262
Increase/(decrease) in creditors	<u>169,704</u>	<u>(198,976)</u>
Net cash inflow/(outflow) from operating activities	<u>462,154</u>	<u>(38,723)</u>

#### 19 Returns on investments and servicing of finance

	2015 £	2014 £
Interest received	<u>799</u>	<u>529</u>
Net cash inflow from returns on investments and servicing of finance	<u>799</u>	<u>529</u>

## Biggin Hill Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 20 Capital expenditure and financial investment

	2015 £	2014 £
Purchase of tangible fixed assets	(86,077)	(9,279)
Capital grants from DfE	<u>16,099</u>	<u>9,751</u>
Net cash (outflow)/inflow from capital expenditure and financial investment	<u>(69,978)</u>	<u>472</u>

#### 21 Analysis of changes in net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	<u>401,685</u>	<u>392,975</u>	<u>794,660</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.

## **Biggin Hill Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

#### **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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year. Contributions amounting to £Nil (2014 - £Nil) were payable to the schemes at 31 August and are included within creditors.

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

## Biggin Hill Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 24 Pension and similar obligations (continued)

The pension costs paid to TPS in the period amounted to £211,875 of which employer's contributions totalled £127,114 and employees' contributions totalled £84,761 (2014: £220,287 of which employer's contributions totalled £133,975 and employees' contributions totalled £86,312).

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

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy 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 2015 was £193,000 (2014 - £194,000), of which employer's contributions totalled £162,000 (2014 - £165,000) and employees' contributions totalled £31,000 (2014 - £29,000). The agreed contribution rates for future years are 28.1 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.

#### Principal actuarial assumptions

	At 31 August 2015 %	At 31 August 2014 %
Rate of increase in salaries	4.10	4.00
Rate of increase for pensions in payment/inflation	2.70	2.70
Discount rate for scheme liabilities	<u>3.80</u>	<u>3.70</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% £
<b>Adjustment to discount rate</b>			
Present value of total obligation	-	-	234,000
	<u>+ 0.5%</u>	<u>0.0%</u>	<u>- 0.5%</u>
	£	£	£
<b>Adjustment to rate of salary growth</b>			
Present value of total obligation	99,000	-	-
	<u>+ 1 Year</u>	<u>None</u>	<u>- 1 Year</u>
	£	£	£
<b>Adjustment to mortality age rating assumption</b>			
Present value of total obligation	57,000	-	-

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



# **Biggin Hill Primary Academy**

## **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

### **24 Pension and similar obligations (continued)**

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
<b>Retiring today</b>		
Males retiring today	21.90	21.90
Females retiring today	24.10	24.10
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.20	24.20
Females retiring in 20 years	<u>26.70</u>	<u>26.70</u>

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

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
	<b>£</b>	<b>£</b>
Equities	680,000	545,000
Other bonds	91,000	71,000
Property	100,000	50,000
Cash	<u>36,000</u>	<u>43,000</u>
Total market value of assets	907,000	709,000
Present value of scheme liabilities - funded	<u>(1,883,000)</u>	<u>(1,675,000)</u>
Deficit in the scheme	<u>(976,000)</u>	<u>(966,000)</u>

The expected rates of return were:

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
	<b>%</b>	<b>%</b>
Equities	3.80	6.40
Other bonds	3.80	3.20
Property	3.80	4.50
Cash	<u>3.80</u>	<u>3.30</u>

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 £5,000 (2014 - £60,000).

## Biggin Hill Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 24 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost	140,000	126,000
Total operating charge	<u>140,000</u>	<u>126,000</u>

##### Analysis of pension finance income/(costs)

	2015 £	2014 £
Expected return on pension scheme assets	46,000	33,000
Interest on pension liabilities	<u>(65,000)</u>	<u>(65,000)</u>
Pension finance costs	<u>(19,000)</u>	<u>(32,000)</u>

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 (£83,000) (2014 - (£70,000)).

##### Movements in the present value of defined benefit obligation

	2015 £	2014 £
At 1 September	1,675,000	1,329,000
Current service cost	140,000	126,000
Interest cost	65,000	65,000
Employee contributions	31,000	29,000
Actuarial (gains)/losses	<u>(28,000)</u>	<u>126,000</u>
At 31 August	<u>1,883,000</u>	<u>1,675,000</u>

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

	2015 £	2014 £
At 1 September	709,000	455,000
Expected return on assets	46,000	33,000
Actuarial (losses)/gains	(41,000)	27,000
Employer contributions	162,000	155,000
Employee contributions	<u>31,000</u>	<u>29,000</u>
At 31 August	<u>907,000</u>	<u>699,000</u>

The estimated value of employer contributions for next period is £165,000 (2014 - £155,000).

##### History of experience adjustments

Amounts for the current and previous 2 periods are as follows:

## Biggin Hill Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 24 Pension and similar obligations (continued)

	2015 £	2014 £	2013 £
Present value of scheme liabilities	(1,883,000)	(1,675,000)	(1,329,000)
Fair value of scheme assets	<u>907,000</u>	<u>709,000</u>	<u>455,000</u>
Deficit in the scheme	<u>(976,000)</u>	<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.