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Acocks Green Primary School
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2014

Company Number : 08424090

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Feltons
Chartered Accountants

Birmingham
B1 3JR

Acocks Green Primary School

(A Company Limited by Guarantee)

Report and financial statements

Year ended 31 August 2014

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Reference and Administrative Details

Members	C.Edwards S.Guest M.Matthews H.Arthur S.Pitfield	Member - appointed 28/02/13 Member - appointed 28/02/13 Member - appointed 28/02/13 Member - appointed 28/02/13 Member - appointed 28/02/13
Trustees	C.Edwards* S.Guest* T.Copland R.Driscoll* I.Shah* R.Davis* F.Joseph N.Kimberley S.Pitfield * M.Brain* R.Harmer M.Matthews C.Lewis* H.Arthur J.Dodson*	(community trustee and chair person - appointed 28/02/13 - co-opted 22/05/14) (parent trustee and vice-chair person - appointed 28/02/13) (staff trustee - appointed 28/02/13) (staff trustee - appointed 28/02/13) (staff trustee - appointed 28/02/13) (parent trustee - appointed 28/02/13) (parent trustee - appointed 28/02/13) (parent trustee - appointed 28/02/13) (parent trustee - appointed 28/02/13 - re-elected 21/03/14) (community trustee - appointed 28/02/13 - resigned 10/04/14) (community trustee - appointed 28/02/13) (community trustee - appointed 28/02/13) (community trustee - appointed 28/02/13) (community trustee - appointed 28/02/13) (principal and accounting officer - appointed 28/02/13) * members of finance committee
Company secretary		C.Pryzbylak
Senior management team	Headteacher Deputy Headteacher KS2 Phase Leader EYFS/KS1 Leader Inclusion Manager Assistant Headteacher	J.Dodson R.Driscoll P.Liversidge H.Pedone S.Ward T.Copland
Responsible officer		N.Courbet drb Management Limited 40 Great Lister Street Birmingham B7 4LS
Principal and registered office		J.Dodson Westley Road Acocks Green Birmingham B27 7UQ
Company registration number		8424090
Independent auditor		Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers		Lloyds Banking Group City Mark 150 Fountainbridge Edinburgh EH3 9PE
Solicitors		Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU

Acocks Green Primary School
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Trustees' report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Acocks Green. It has a pupil capacity of 498 and had a roll of 498 in the school census on 15 May 2014.

Structure, governance and management

Constitution

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

The Trustees of Acocks Green Primary School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Acocks Green Primary School .

Details of the Trustees who served during the year are included in the Reference and Administrative details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

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 £5,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

Parent Trustees are elected by the parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when she/he is elected.

The Community Trustees may be appointed by the Governing Body provided that the person who is appointed as a Community Trustee is:

- a person who lives or works in the community served by the Academy; or
- a person who, in the opinion of the Governing Body, is committed to the government and success of the Academy.

Staff Trustees are elected by employees of the Academy Trust.

The above selection procedures are used when a vacancy occurs.

Acocks Green Primary School (A Company Limited by Guarantee)

Trustees' report (continued)

Policies and procedures adopted for the induction and training of Trustees

The Governing Body has a Service Level Agreement with the Trustee Support department of Birmingham City Council, to provide training, advice and support to the Governing Body.

Newly elected Trustees attend Induction Training for new Trustees, and in addition select specific training provided by Trustee Support in accordance with their needs.

One of the Trustees is appointed as Link Trustee, attends relevant training and provides information to Trustees following such training.

The Deputy Headteacher is the Leader for Professional Development in school, and he ensures that Trustees are provided with opportunities to receive training in accordance with their role, and the school's Training Plan.

Organisational structure

The Governing Body has established committees and appoints Trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance and Pay
- Buildings, Health and Safety
- Teaching & Learning
- Head Teacher Performance Management
- Appeals
- Staff and Pupil Discipline

The written terms of reference of the committees include the monitoring of the preparation and management of the Academy's budget and implementation of the Academy's financial management policies, including risk assessment.

The Governing Body also appoints a Responsible Officer and this role has been fully implemented in accordance with the Academy Trust's Financial Procedures.

Decisions relating to the overall running of Acocks Green Primary School are reserved for the board of trustees. Those responsibilities delegated to management include Finance, Teaching & Learning, Health & Safety, Appeals, Staff & Pupil Discipline.

Connected organisations, including related party relationships

There were no connected organisations or related party relationships.

Objectives and activities

Objects and aims

The strategic goal of Acocks Green Primary School is to provide a broad and balanced curriculum to all pupils in accordance with the Funding Agreement between the Academy Trust and the Department for Education.

**Acocks Green Primary School
(A Company Limited by Guarantee)**

Trustees' report (continued)

Objectives, strategies and activities

The school aims to maintain and improve upon its outstanding status, through:

- High quality staff development
- Skilled curriculum and resource management
- Effective and efficient financial management
- High quality provision for pupils with Special Educational Needs [SEN]and English as an Additional Language [EAL]
- Raising standards in Literacy and Numeracy
- Child Protection and Safeguarding
- Effective use of the Pupil premium and Sports Premium
- Continuous self-review and evaluation
- Responding to requests for support from other schools in line with DFE requirements for Outstanding schools.
- Developing the school environment
- Developing our partnership with parents
- Maintaining attendance to 96% or above

Public benefit

In setting our objectives and planning our activities, the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit.

Acocks Green Primary School is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic report

Achievements and performance

The schools achievement for National KS2 Sats Tests are as follow:

Trustees' report (continued)

BIRMINGHAM LA

Statutory National Curriculum Assessment - End of Key Stage Two 2014

Comparative Information for Parents

School: Acocks Green Primary School

DCSF: 3302020

Number of Year 6 Pupils 60

The information given below is based upon the assessments of all children in the school who were Year 6 in the academic year 2013-2014. Information is also provided about national results from 2013. Separate information is given for teacher assessments and the national tests.

SCHOOL RESULTS (2014)

	T/D	A	B	N	W	1	2	3	4	5	6	L4+	L4B+	Prog
English - TA								5%	40%	45%	10%	95%		
Reading - Test								7%	53%	40%	0%	93%	70%	92%
Writing - TA								2%	52%	37%	10%	98%	83%	100%
GPS - Test								5%	23%	67%	5%	95%	88%	
RWM- Combined*												92%	70%	
Mathematics - TA								2%	32%	53%	13%	98%		
Mathematics - Tests								2%	37%	45%	17%	98%	98%	100%
Science - TA								8%	40%	52%	0%	92%		

Figures may not total 100% due to rounding

NATIONAL RESULTS (2013)

	T/D	A	B	N	W	1	2	3	4	5	6	L4+	L4B+	Prog
English - TA	0%	0%			1%	1%	2%	10%	48%	37%	1%	87%		
Reading - Test	0%	0%	3%	2%				8%	41%	44%	0%	86%	75%	88%
Writing - TA	0%	0%			1%	1%	2%	12%	53%	29%	2%	83%		92%
GPS - Test	0%	0%	3%	3%				20%	26%	46%	2%	74%	65%	
RWM- Combined*												75%	65%	
Mathematics - TA	0%	0%			1%	0%	2%	10%	45%	36%	6%	87%		
Mathematics - Tests	0%	0%	3%	1%			0%	11%	44%	34%	6%	85%	73%	88%
Science - TA	0%	0%			1%	0%	2%	10%	50%	38%	0%	88%		

Figures may not total 100% due to rounding

KEY

- T/D :- Children who have been exempted from the assessment for various reasons
- A :- Children who were absent for the assessments
- N :- Children who were not awarded a level
- B :- Children who are working at levels below those assessed by the tests
- W :- Working within Level 1
- 1-6 :- Levels of attainment within the National Curriculum
- L4+ :- percentage of children achieving level 4 or above
- L4B+ :- percentage of children achieving level 4B or above
- Prog :- Percentage of children making 2 or more levels of progress
- TA :- Teacher Assessment

*Reading Test, Writing TA and Maths Test combined

**Acocks Green Primary School
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Trustees' report (continued)

The results show outstanding progress, a performance that is well above national averages.

Key financial performance indicators

- Direct costs as a percentage of total costs were 72.4%
- Support costs as a percentage of total costs were 27.3%
- Total payroll costs as a percentage of recurring income were 60.3%

Going concern

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

Financial review

Financial and risk management objectives and policies

The financial results of Acocks Green Primary School are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the EFA and requirements as laid down by the Academy's Financial Handbook.

The principal funding source is grant income from the EFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the period ended 31 August 2014 total resources expended were £2,360,841 which included depreciation of £129,797 and the surplus of income over expenditure was £517,559.

At 31 August 2014 the net book value of fixed assets was £4,296,746. The assets were used exclusively for providing the education and the associated support services to the pupils of Acocks Green Primary School.

Reserves policy

The Trustees continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes.

The deficit on the restricted pension fund of £1,089,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Investment policy

Any surplus funds are invested with Lloyds Banking Limited in a deposit account. These investments are carried out in accordance with the powers vested in the Governing Body.

**Acocks Green Primary School
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Trustees' report (continued)

Principal risks and uncertainties

The Trustees have considered the major risks and uncertainties facing the Charitable Company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Plans for future periods

Effective staffing and financial management will focus on the careful management and deployment of staff within the financial and human resources we have available. Financial management will focus on the principles of "Best Value" and will support the priorities in the School Improvement Plan.

Raising standards in Numeracy and Literacy will be addressed through developing all staff to be excellent practitioners as well as focused assessment for learning, narrowing the gap strategies and high quality marking.

Developing the school environment will be primarily addressed through the School Council and the children's initiatives.

Auditor

Insofar 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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on15/12/14..... and signed on its behalf by:



.....S Guest - Chair of Finance Committee

Acocks Green Primary School
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Governance statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Acocks Green Primary School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Acocks Green Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the period. Attendance during the period at meetings of the board of trustees was as follows :

	Meetings attended	Out of a possible
Main board		
C.Edwards	3	5
S.Guest	4	5
T.Copland	5	5
R.Driscoll	5	5
I.Shah	3	5
R.Davis	4	5
F.Joseph	4	5
N.Kimberley	5	5
S.Pitfield	5	5
M.Brain	1	4
R.Harmer	5	5
M.Matthews	3	5
C.Lewis	5	5
H.Arthur	4	5
J.Dodson	5	5
Finance committee		
C.Edwards	1	4
S.Guest	4	4
R.Driscoll	4	4
I.Shah	4	4
R.Davis	4	4
S.Pitfield	4	4
M.Brain	1	3
C.Lewis	4	4
J.Dodson	4	4

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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 the Academy's 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 Acocks Green Primary School for the period to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed a member of drb Management Limited, as responsible officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks in the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Acocks Green Primary School
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Governance statement (continued)

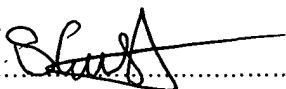
Review of Effectiveness

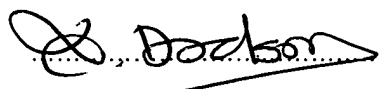
As Accounting Officer, Julia Dodson, the Headteacher, has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Responsible Officer;
- 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 General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15/12/14 and signed on its behalf by:

.....S Guest - Chair of Finance Committee

.....J Dodson - Accounting Officer

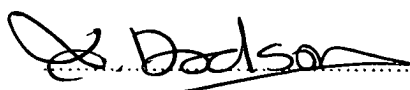
**Acocks Green Primary School
(A Company Limited by Guarantee)**

Statement on regularity, propriety and compliance

As accounting officer of Acocks Green Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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 board of trustees 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 board of trustees and the EFA.

 J Dodson - Accounting Officer

15 / 12 / 14 Date

Acocks Green Primary School
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Statement of Trustees' Responsibilities

The trustees (who act as governors of Acocks Green Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

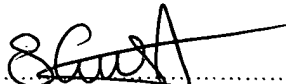
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 that 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 of trustees on 15/12/14 and signed on its behalf by:

 S Guest - Chair of Finance Committee

**Acocks Green Primary School
(A Company Limited by Guarantee)**

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Acocks Green Primary School

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

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members 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 academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements :

- give a true and fair view of the state of the 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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**Acocks Green Primary School
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**Independent Auditor's Report on the Financial Statements to the Board of Trustees of Acocks
Green Primary School
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the trustees 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 :

- adequate accounting records have not been kept; 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.

Feltons

David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

17 December 2014

Acocks Green Primary School
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Acocks Green Primary School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 4 April 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Acocks Green Primary School 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 Acocks Green Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Acocks Green Primary School 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 Acocks Green Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Acocks Green Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Acocks Green Primary School's funding agreement with the Secretary of State for Education dated 27 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 period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes :

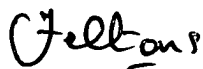
- Consideration of the applicable legislation and the Academy Trust's Funding Agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Acocks Green Primary School
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Independent Reporting Accountant's Assurance Report on Regularity to Acocks Green Primary School and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

17 December 2014

Acocks Green Primary School
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2014
(including income and expenditure account and statement of total recognised gains and losses)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2014 £	5 mths Total 2013 £
Incoming resources							
<i>Incoming resources from generated funds:</i>							
Voluntary income	2	-	-	-	20,000	20,000	-
Voluntary income - transfer from local authority on conversion	2	-	-	-	-	-	3,258,011
Activities for generating funds	3	42,239	-	-	-	42,239	27,708
Investment income	4	655	-	-	-	655	87
<i>Incoming resources from charitable activities:</i>							
Funding for the Academy's educational operations	5	-	-	2,245,328	570,178	2,815,506	926,624
Total incoming resources		42,894	-	2,245,328	590,178	2,878,400	4,212,430
Resources expended							
<i>Charitable activities:</i>							
Academy's educational operations	7	42,894	23,000	2,157,799	129,797	2,353,490	939,890
Governance costs	8	-	-	7,351	-	7,351	7,902
<i>Other resources expended :</i>							
Other costs on conversion		-	-	-	-	-	13,796
Total resources expended	6	42,894	23,000	2,165,150	129,797	2,360,841	961,588
Net incoming/(outgoing) resources before transfers		-	(23,000)	80,178	460,381	517,559	3,250,842
Gross transfers between funds	15	-	-	(151,323)	151,323	-	-
Net income/(expenditure) for the year		-	(23,000)	(71,145)	611,704	517,559	3,250,842
Other recognised gains and losses							
Actuarial gains/(losses) on defined benefit pension schemes	15, 24	-	(429,000)	-	-	(429,000)	58,000
Net movement in funds		-	(452,000)	(71,145)	611,704	88,559	3,308,842
Reconciliation of funds							
Total funds brought forward at 1 September 2013	15	-	(637,000)	260,800	3,685,042	3,308,842	-
Total funds carried forward at 31 August 2014		-	(1,089,000)	189,655	4,296,746	3,397,401	3,308,842

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

Acocks Green Primary School
(A Company Limited by Guarantee)

Company Number : 08424090
Balance sheet as at 31 August 2014

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Tangible assets	12		4,296,746		3,685,042
Current assets					
Debtors	13	121,889		71,794	
Cash at bank and in hand		<u>340,886</u>		<u>290,618</u>	
		462,775		362,412	
Liabilities					
Creditors: amounts falling due within one year	14	<u>273,120</u>		<u>101,612</u>	
Net current assets			189,655		260,800
Total assets less current liabilities			<u>4,486,401</u>		<u>3,945,842</u>
Pension scheme liability	24		(1,089,000)		(637,000)
Net assets including pension liability			<u>3,397,401</u>		<u>3,308,842</u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	15	4,296,746		3,685,042	
General fund	15	189,655		260,800	
Pension reserve	15	<u>(1,089,000)</u>		<u>(637,000)</u>	
Total restricted funds			3,397,401		3,308,842
Total funds			<u>3,397,401</u>		<u>3,308,842</u>

The financial statements on pages 17 to 38 were approved by the trustees, and authorised for issue on 15/12/14 and are signed on their behalf by:



S Guest - Chair of Finance Committee

Acocks Green Primary School
(A Company Limited by Guarantee)

Cash flow statement for the year ended 31 August 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	19	200,936	72,838
Returns on investments and servicing of finance	20	655	87
Capital expenditure	21	(151,323)	(6,019)
Cash transferred on conversion to academy trust		-	223,712
Increase in cash in the period	22	<u>50,268</u>	<u>290,618</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		290,618	-
Net funds at 31 August 2014		<u>340,886</u>	<u>290,618</u>

**Acocks Green Primary School
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2014

1. Statement of 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 Academies Accounts Direction 2013 to 2014 issued by the EFA 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.

- **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 is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Acocks Green Primary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2014 (continued)

1. Statement of 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.

- **Costs 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 in 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 trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £500 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

**Acocks Green Primary School
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2014 (continued)

1. Statement of accounting policies (continued)

Tangible fixed assets (continued)

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 life as follows:

Long leasehold property	- straight line over 50 years
Fittings and equipment	- 33% straight line
Computer equipment	- 33% straight line

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.

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 and the assets are held separately from those of the academy trust.

**Acocks Green Primary School
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2014 (continued)

Pension benefits (continued)

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 note 24, 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.

Fund accounting

Unrestricted income funds

These represent 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

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

Restricted general funds

These comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency and Department for Education.

Acocks Green Primary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2014 (continued)

2. Voluntary income

	Restricted fixed asset funds £	Total 2014 £	5 mths Total 2013 £
Transfer from local authority			
- fixed assets	-	-	3,707,870
- other assets	-	-	233,141
- pension deficit	-	-	(683,000)
	-	-	3,258,011
Other donations	20,000	20,000	-
	<u>20,000</u>	<u>20,000</u>	<u>3,258,011</u>

3. Activities for generating funds

	Unrestricted funds £	Total 2014 £	5 mths Total 2013 £
Educational visits	7,061	7,061	6,351
Miscellaneous	35,178	35,178	21,357
	<u>42,239</u>	<u>42,239</u>	<u>27,708</u>

4. Investment income

	Unrestricted funds £	Total 2014 £	5 mths Total 2013 £
Short term deposits	<u>655</u>	<u>655</u>	<u>87</u>

Acocks Green Primary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2014 (continued)

5. Funding for the Academy Trust's educational operations

	Restricted general fund £	Restricted fixed asset funds £	Total 2014 £	5 mths Total 2013 £
DfE/EFA revenue grants				
General Annual Grant	1,804,576	-	1,804,576	766,917
Capital grants	-	570,178	570,178	9,029
Other DfE/EFA grants	212,918	-	212,918	67,650
	<u>2,017,494</u>	<u>570,178</u>	<u>2,587,672</u>	<u>843,596</u>
Other government grants				
Local authority grants	227,834	-	227,834	83,028
	<u>227,834</u>	<u>-</u>	<u>227,834</u>	<u>83,028</u>
	<u>2,245,328</u>	<u>570,178</u>	<u>2,815,506</u>	<u>926,624</u>

6. Resources expended

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2014 £	5 mths Total 2013 £
Academy's educational operations					
Direct costs	1,428,277	102,540	178,189	1,709,006	673,459
Allocated support costs	294,957	209,650	139,877	644,484	266,431
	<u>1,723,234</u>	<u>312,190</u>	<u>318,066</u>	<u>2,353,490</u>	<u>939,890</u>
Governance costs including allocated support costs	-	-	7,351	7,351	7,902
Other costs on conversion	-	-	-	-	13,796
	<u>1,723,234</u>	<u>312,190</u>	<u>325,417</u>	<u>2,360,841</u>	<u>961,588</u>

		£	£
Outgoing resources for the year include :			
Operating leases	- plant and machinery	2,063	690
	- other	-	-
Fees payable to auditor	- audit	5,400	5,000
	- other services	350	-

Acocks Green Primary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2014 (continued)

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2014 £	5 mths Total 2013 £
Direct costs - educational operations					
Teaching and educational support staff	6,475	-	1,421,802	1,428,277	573,133
Depreciation	-	-	102,540	102,540	38,790
Technology costs	-	-	21,830	21,830	6,412
Educational supplies	12,329	-	80,454	92,783	31,591
Staff development	-	-	7,260	7,260	5,268
Educational consultancy	-	-	39,578	39,578	13,508
Other direct costs	-	-	16,738	16,738	4,757
	<u>18,804</u>	<u>-</u>	<u>1,690,202</u>	<u>1,709,006</u>	<u>673,459</u>
Support costs - educational operations					
Support staff	11,924	23,000	260,033	294,957	107,706
Depreciation	-	-	27,257	27,257	8,515
Recruitment and support	-	-	180	180	1,541
Maintenance of premises and equipment	-	-	80,047	80,047	66,005
Cleaning	-	-	24,460	24,460	11,414
Rates and water	-	-	8,530	8,530	3,491
Energy costs	9,463	-	27,997	37,460	13,400
Insurance	-	-	21,805	21,805	8,869
Security and transport	-	-	13,900	13,900	1,579
Catering	-	-	53,424	53,424	20,670
Bank interest and charges	-	-	-	-	10
Other support costs	2,703	-	79,761	82,464	23,231
	<u>24,090</u>	<u>23,000</u>	<u>597,394</u>	<u>644,484</u>	<u>266,431</u>
Total direct and support costs	<u>42,894</u>	<u>23,000</u>	<u>2,287,596</u>	<u>2,353,490</u>	<u>939,890</u>

8. Governance costs

	Restricted funds £	Total 2014 £	5 mths Total 2013 £
Legal and professional fees	1,601	1,601	2,667
Auditor's remuneration			
audit of financial statements	5,400	5,400	5,000
other audit costs	350	350	-
Support staff costs	-	-	235
Trustees' reimbursed expenses	-	-	-
	<u>7,351</u>	<u>7,351</u>	<u>7,902</u>

**Acocks Green Primary School
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2014 (continued)

9. Staff

a) Staff costs

	Total 2014 £	5 mths Total 2013 £
Staff costs during the period were:		
Wages and salaries	1,183,918	530,312
Social security costs	83,432	36,044
Pension costs		
Teachers' pension scheme	95,788	47,103
Local government pension scheme	115,149	34,384
	<u>1,478,287</u>	<u>647,843</u>
Supply staff costs	244,947	32,996
	<u>1,723,234</u>	<u>680,839</u>

b) Staff severance payments

There were no severance payments paid during the period (2013 - £nil).

c) 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:

	2014 Number	2013 Number
Charitable activities		
Teachers	31	34
Administration and support	8	8
Management	4	4
	<u>43</u>	<u>46</u>

d) Higher paid staff

The number of employees whose emoluments on an annualised basis exceeded £60,000 was :
£70,001 - £80,000

<u>1</u>	<u>1</u>
----------	----------

These employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, employer's pension contributions for these employees amounted to £11,626 (2013 - £4,070).

10. Related Party Transactions - Trustees' remuneration and expenses

The principal and other 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 trust in respect of their role as trustees.

Acocks Green Primary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2014 (continued)

10. Related Party Transactions - Trustees' remuneration and expenses (continued)

The value of trustees' remuneration during the year (2013 : 5 months to 31 August 2013) was as follows :

J Dodson (head teacher and trustee)	£70,000 - £75,000 (2013 : £35,000 - £40,000)
R Driscoll (staff trustee)	£50,000 - £55,000 (2013 : £20,000 - £25,000)
T Copland (staff trustee)	£35,000 - £40,000 (2013 : £10,000 - £15,000)
I Shah (staff trustee)	£25,000 - £30,000 (2013 : £10,000 - £15,000)

During the year, no travel and subsistence expenses were reimbursed to any trustee (2013 - £nil). 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £61 (2013 - £24). The cost of this insurance is included in the total insurance cost.

12. Tangible fixed assets

	Freehold land £	Long leasehold property £	Fittings and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2013	-	3,608,250	45,428	78,669	3,732,347
Additions	21,741	655,389	14,793	49,578	741,501
Disposals	-	-	-	-	-
At 31 August 2014	21,741	4,263,639	60,221	128,247	4,473,848
Depreciation					
At 1 September 2013	-	30,069	6,309	10,927	47,305
Charge for the year	-	74,129	16,899	38,769	129,797
Released by disposals	-	-	-	-	-
At 31 August 2014	-	104,198	23,208	49,696	177,102
Net book values					
At 31 August 2014	21,741	4,159,441	37,013	78,551	4,296,746
At 31 August 2013	-	3,578,181	39,119	67,742	3,685,042

Leasehold property was valued at 1 April 2013 by The Valuation Office Agency – DVS and the fittings and equipment and computer equipment were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost. Freehold land was valued at 12 June 2014 by the trustees. Long leasehold property includes £172,602 in respect of assets under construction.

Cost or valuation at 31 August 2014 is represented by :

	Freehold land £	Long leasehold property £	Fittings and equipment £	Computer equipment £	Total £
Valuation in 2013	-	3,608,250	41,742	57,878	3,707,870
Valuation in 2014	20,000	-	-	-	20,000
Cost	1,741	655,389	18,479	70,369	745,978
	21,741	4,263,639	60,221	128,247	4,473,848

Acocks Green Primary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2014 (continued)

13. Debtors

	Total 2014 £	Total 2013 £
VAT recoverable	48,687	19,184
Prepayments and accrued income	73,202	52,610
	<u>121,889</u>	<u>71,794</u>

14. Creditors

	Total 2014 £	Total 2013 £
Amounts falling due within one year :		
Creditors from operations	191,054	55,913
Accruals and deferred income	66,864	45,699
Other creditors	15,202	-
	<u>273,120</u>	<u>101,612</u>
Deferred income		
Deferred income at 1 September 2013	-	-
Resources deferred in the year	28,610	-
Amounts released from previous years	-	-
Deferred income at 31 August 2014	<u>28,610</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in advance for universal free school meals received from the Education Funding Agency.

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 (GAG)	260,800	1,804,576	(1,724,398)	(151,323)	189,655
Other DfE/EFA grants	-	212,918	(212,918)	-	-
Other government grants	-	227,834	(227,834)	-	-
	<u>260,800</u>	<u>2,245,328</u>	<u>(2,165,150)</u>	<u>(151,323)</u>	<u>189,655</u>

Acocks Green Primary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2014 (continued)

15. Funds (continued)

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted fixed asset funds					
Assets transferred on conversion	3,663,965	-	(105,373)	-	3,558,592
DfE/EFA capital grants	9,029	570,178	(2,368)	-	576,839
Capital expenditure from GAG	12,048	-	(22,056)	149,582	139,574
Voluntary donation	-	20,000	-	1,741	21,741
	<u>3,685,042</u>	<u>590,178</u>	<u>(129,797)</u>	<u>151,323</u>	<u>4,296,746</u>
Restricted pension funds					
Deficit on conversion	(683,000)	-	-	-	(683,000)
Net actuarial movements	46,000	-	(23,000)	(429,000)	(406,000)
	<u>(637,000)</u>	<u>-</u>	<u>(23,000)</u>	<u>(429,000)</u>	<u>(1,089,000)</u>
Total restricted funds	<u>3,308,842</u>	<u>2,835,506</u>	<u>(2,317,947)</u>	<u>(429,000)</u>	<u>3,397,401</u>
Unrestricted funds					
Other income	-	42,894	(42,894)	-	-
Total unrestricted funds	<u>-</u>	<u>42,894</u>	<u>(42,894)</u>	<u>-</u>	<u>-</u>
Total funds	<u>3,308,842</u>	<u>2,878,400</u>	<u>(2,360,841)</u>	<u>(429,000)</u>	<u>3,397,401</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education Funding Agency and Birmingham City Council.

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.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

Acocks Green Primary School
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2014 (continued)

16. Analysis of net assets between funds

Fund balances at 31 August 2014
are represented by:

	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets	-	-	4,296,746	4,296,746
Current assets	-	462,775	-	462,775
Current liabilities	-	(273,120)	-	(273,120)
	-	189,655	4,296,746	4,486,401
Creditors due after one year	-	-	-	-
Pension scheme liability	(1,089,000)	-	-	(1,089,000)
Total net assets	(1,089,000)	189,655	4,296,746	3,397,401

17. Capital commitments

Contracted for but not provided in the financial statements

Total 2014	Total 2013
£	£
114,000	-

18. Financial commitments

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

	Equipment	
	Total 2014	Total 2013
	£	£
Expiring within one year	-	558
Expiring within two to five years inclusive	946	946
	946	1,504

19. Reconciliation of net income to net cash inflow from operating activities

	Total 2014	Total 2013
	£	£
Net income/(expenditure)	517,559	3,250,842
Depreciation (note 12)	129,797	47,305
Capital grants from DfE and other capital income	(590,178)	(9,029)
Assets transferred on conversion to academy trust	-	(3,707,870)
Cash transferred on conversion to academy trust	-	(233,141)
Interest receivable (note 4)	(655)	(87)
FRS 17 pension deficit on conversion	-	683,000
FRS 17 actuarial movements (note 24)	23,000	12,000
Decrease / (increase) in debtors	(50,095)	(71,794)
Increase / (decrease) in creditors	171,508	101,612
Net cash inflow from operating activities	200,936	72,838

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Notes to the financial statements for the year ended 31 August 2014 (continued)

	Total 2014 £	Total 2013 £
20. Returns on investments and servicing of finance		
Interest received	655	87
Net cash inflow from returns on investment and servicing of finance	<u>655</u>	<u>87</u>
21. Capital expenditure and financial investment		
Purchase of tangible fixed assets	(741,501)	(24,477)
Cash transferred on conversion to academy trust	-	9,429
Capital grants from DfE and other capital income	590,178	9,029
Net cash (outflow) from capital expenditure and financial investment	<u>(151,323)</u>	<u>(6,019)</u>
22. Analysis of changes in net funds		
	At 1 September 2013 £	Cash flows £
Cash at bank and in hand	290,618	340,886
	<u>290,618</u>	<u>340,886</u>

23. Member's 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 West Midlands 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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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

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

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

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Notes to the financial statements for the year ended 31 August 2014 (continued)

24. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

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

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

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Notes to the financial statements for the year ended 31 August 2014 (continued)

24. Pension and similar obligations (continued)

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 £111,213, of which employer's contributions totalled £85,341 and employees' contributions totalled £25,872. The agreed contribution rates for future years are 13% for employers and 5.5% to 10.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the 22 years from conversion.

Principal actuarial assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.95%	4.15%
Rate of increase for pensions in payment / inflation	2.20%	2.40%
Discount rate for scheme liabilities	4.00%	4.50%
Inflation assumption (CPI)	2.20%	2.40%

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

	At 31 August 2014	At 31 August 2013
Retiring today		
Males	22.9	22.1
Females	25.5	24.8
Retiring in 20 years		
Males	25.1	23.9
Females	27.8	26.7

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Notes to the financial statements for the year ended 31 August 2014 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £	Expected return at 31 August 2013	Fair value at 31 August 2013 £
Equities	45.00%	71,000	42.40%	202,000
Government bonds	7.90%	13,000	8.40%	40,000
Other bonds	10.30%	16,000	11.20%	53,000
Property	8.70%	14,000	8.70%	41,000
Cash and other	28.10%	45,000	29.30%	140,000
Total market value of assets		<u>159,000</u>		<u>476,000</u>
Present value of scheme liabilities				
- Funded		(1,248,000)		(1,113,000)
Surplus/(deficit) in the scheme		<u>(1,089,000)</u>		<u>(637,000)</u>

The expected rate of return on the Scheme assets is based on market expectations at the beginning of the period.

The actual return on the Scheme assets was £56,000 (2013 - £2,000).

	2014 £	2013 £
Amounts recognised in the statement of financial activities		
Current service cost (net of employee contributions)	87,000	33,000
Past service cost	-	-
Total operating charge	<u>87,000</u>	<u>33,000</u>
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	(31,000)	(11,000)
Interest on pension liabilities	52,000	20,000
Pension finance income/(costs)	<u>21,000</u>	<u>9,000</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 a £371,000 loss (2013 - £58,000 gain).

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Notes to the financial statements for the year ended 31 August 2014 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2014	2013
	£	£
At 1 September 2013	1,113,000	-
Current service cost	87,000	33,000
Interest cost	52,000	20,000
Employee contributions	26,000	9,000
Actuarial loss / (gain)	(30,000)	(67,000)
Business combinations	-	1,118,000
At 31 August 2014	1,248,000	1,113,000

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

	2014	2013
	£	£
At 1 September 2013	476,000	-
Expected return on assets	31,000	11,000
Actuarial (loss)	(459,000)	(9,000)
Employer contributions	85,000	30,000
Employee contributions	26,000	9,000
Business combinations	-	435,000
At 31 August 2014	159,000	476,000

Net pension scheme liability	(1,089,000)	(637,000)
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The estimated value of employer contributions for the year ended 31 August 2015 is £110,000.

The history of experience adjustments is as follows:

	2014	2013
	£	£
Present value of defined benefit obligations	(1,248,000)	(1,113,000)
Fair value of share of scheme assets	159,000	476,000
Deficit in the scheme	(1,089,000)	(637,000)
Experience adjustments on share of scheme assets (£)	(459,000)	58,000
Experience adjustments on scheme liabilities (£)	68,000	-

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Notes to the financial statements for the year ended 31 August 2014 (continued)

25. Related party transactions

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

There were no material related party transactions during the year (2013 - £nil).