

REGISTERED COMPANY NUMBER: 08738750 (England and Wales)

**REPORT OF THE DIRECTORS, STRATEGIC REPORT AND
FINANCIAL STATEMENTS FOR THE PERIOD 18 OCTOBER 2013 TO
31 AUGUST 2014
FOR
THE PRIMARY FIRST TRUST**

THURSDAY



A4136LFT

A24

12/02/2015

#386

COMPANIES HOUSE

Wilkins Kennedy LLP
Chartered Accountants
Statutory Auditor
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

THE PRIMARY FIRST TRUST
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

	Page
Reference and Administrative Details	1
Report of the Directors	2 to 7
Governance Statement	8 to 9
Statement on Regularity, Propriety and Compliance	10
Statement of Directors Responsibilities	11
Report of the Independent Auditors	12
Independent Accountant's Report on Regularity	13 to 14
Statement of Financial Activities	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Financial Statements	18 to 31

THE PRIMARY FIRST TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

MEMBERS	W Harwood S Ristow M Wallbridge
DIRECTORS	C Foster W Harwood S Ristow J D H Smith M J Wallbridge
LOCAL GOVERNING BODIES	See page 8
SENIOR LEADERSHIP TEAM	J D H Smith (Chief Executive Officer) K Powell (Leading Headteacher) C Foster (Business Manager)
REGISTERED OFFICE	Barnehurst Junior School Barnehurst Close Erith Kent DA8 3NL
REGISTERED COMPANY NUMBER	08738750 (England and Wales)
AUDITORS	Wilkins Kennedy LLP Chartered Accountants Statutory Auditor Greytown House 221-227 High Street Orpington Kent BR6 0NZ
SOLICITOR	Charles Russell LLP Buryfields House Bury Fields Guildford Surrey GU2 4AZ
BANKER	Lloyds Bank 130/132 Broadway Bexleyheath Kent DA6 7DP

THE PRIMARY FIRST TRUST
REPORT OF THE DIRECTORS
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

The Directors present their report together with the financial statements and auditor's report of the charitable company for the period 18 October 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report and a Director's report under company law.

The Trust operates two academies; one for children aged 4 -7 and one for children aged 7 - 11. The Academies are in the Barnehurst area of Erith in Kent. They have a combined pupil capacity of 420 plus 52 in an onsite Nursery and had a roll of 421 and 52 in the Nursery in the school census on 16/01/2014.

INCORPORATION

The academy trust was incorporated on 18 October 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Academy Trust is a company limited by guarantee with no share capital (registration no. 08738750) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Directors act as the Trustees for the charitable activities of The Primary First Trust. The charitable company is known as The Primary First Trust. Details of the Directors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

The Primary First Trust was incorporated on 18 October 2013 and is made up of two academies. The Academies kept their original names, Barnehurst Infant School and Barnehurst Junior School. The schools obtained academy status from 1 November 2013.

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 period 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.

Principal activities

The principal activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools and settings offering a broad and balanced curriculum.

Recruitment and appointment of new trustees

The members of the Academy Trust shall comprise the signatories to the Memorandum, the chairman of the Directors, and any person appointed under Article 16.

The number of Directors shall be not less than 3, but shall not be subject to a maximum. Members will be appointed by the Directors except for the CEO who will have de facto membership.

Each Trust school shall have a local governing body that will consist of the following Governors; Governors appointed by the Primary First Trust, the Headteacher, two elected Parent Governors and two elected staff Governors.

The first Directors of The Primary First Trust shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Director or Member shall be 4 years, save that this time limit shall not apply to the Headteacher or Chief Executive Officer subject to remaining eligible to be a particular type of Director, any Director or member may be re-appointed or re-elected.

Induction and training of new Directors

During the period under review the Trust Board of Directors held 5 full Directors meetings. The training and induction provided for new Directors will depend on their existing experience. All new Directors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only two or three new Directors a year, induction tends to be done informally and is tailored specifically to the individual.

THE PRIMARY FIRST TRUST
REPORT OF THE DIRECTORS
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The structure consists of three management levels: the Primary First Trust Board, the Local Governing Body and the Academy Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Primary First Trust Board are responsible for setting general policy, adopting an annual plan and budget monitoring for the Academies by the use of budget reports and making major decisions about the direction of the Primary First Trust, capital expenditure and senior staff appointments.

The Academy Leadership Team consists of the Executive Headteacher, Head of Schools, Assistant Heads of School and the Business Manager. These leaders control the Academy at school level implementing the policies laid down by themselves, the local governing body or the Primary First Trust Board. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of non-senior staff. Appointments of senior leader posts will require Director's authorisation.

Connected Organisations including Related Party Relationships

The Primary First Trust is currently working with Mayplace Primary School and Cuxton Junior School which are expected to join The Primary First Trust as sponsored academies in September 2014. The Trust is also working with Cuxton Infant school which is expected to join the Primary First Trust as a convertor academy in September 2014.

Risk management

The Directors have a duty to identify and review the risks to which the academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object of the Academy is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

The Mission

The goal of The Primary First Trust is to improve the quality of education provided to all children in all schools within the Trust. We are a community of schools who use each other as a resource to:

- Improve the quality of teaching.
- Improve the quality of leadership.
- Improve the breadth of curriculum experience

These will drive the ultimate aim:

To Improve the Educational Outcomes for Children in Primary Education

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

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

- The Primary First Trust (PFT) is a multi-academy trust which is committed to improving the life chances of every child with whom they work. The Trust does this by:
- Developing a culture in which improving the quality of teaching is seen as central;
- Working with school leaders on developing the highest quality leadership systems and personnel;
- Ensuring children have a wide range of sporting, cultural and artistic experiences as well as an absolute understanding of the core skills.

The Primary First Trust community values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit The Primary First Trust.

Students will be happy and enthused by the intellectual, social and physical challenges posed by their experience at school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty.

THE PRIMARY FIRST TRUST
REPORT OF THE DIRECTORS
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

Objectives, Strategies and Activities - continued

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers will enthuse and inspire others to explore new ideas.

Parents will fulfill their roles as true partners, recognizing their role in the student- School - parent partnership to ensure that their child realizes his/her potential.

Directors will contribute to the life of the school on a wider scale, acting as critical friends to support the school in becoming a recognised centre of excellence.

Equal opportunities policy

The Primary First Trust recognises that equal opportunities should be an integral part of good practice within the workplace. The Academies aim to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

The Primary First Trust complies fully with the Equality Act 2010 regulations and is equipped to welcome and/or teach any child or adult with a disability where possible. The Directors have adopted an updated Equality policy in light of recommendations related to the 2010 Act.

Public benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

The Trust adopts the admission policies of the Local Education authority in which it works. For full details see the Trusts website on www.barnehurstfederation.co.uk.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

The Academy continues to achieve the forecast numbers of students. Total students in the period ended 31st August 2014 numbered 421 plus 52 in the Nursery and the Academy published pupil admission number for 13/14 was 420.

The Academies are a two form entry Infant school and the linked two form entry Junior School. Both Schools are successful, popular and oversubscribed.

Pupils enter the School from a wide range of social, cultural and economic backgrounds. The Academy prides itself on being an inclusive School.

The percentage of pupils eligible for free school meals is 9% close to the national average. The percentage of pupils from ethnic minority backgrounds is above average at 22%. There were 12% of pupils on the Special Educational Needs register and approximately 4.5% of pupils are identified as more able.

To ensure that standards are continually raised the Academy: operates a programme of internal and external reviews of curriculum areas and has an external quality assurance review as part of its membership of Challenge Partners.

The Senior Leadership Team currently grades the Junior school as 'good' and the Infant School as Outstanding using the key performance indicators in the new Ofsted framework. This is supported by the latest Ofsted inspections and the Primary First Trust Internal monitoring systems.

Going concern

The Board of Directors 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

THE PRIMARY FIRST TRUST
REPORT OF THE DIRECTORS
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

ACHIEVEMENT AND PERFORMANCE

Key performance indicators

The main KPI is the Ofsted Framework for Inspection. Inspectors must judge the quality of education provided in the school. This is the overarching judgement.

In order to make a judgement about the quality of education provided in the school, inspectors must first make four key judgements. These are:

- the achievement of pupils at the school
- the quality of teaching in the school
- the behaviour and safety of pupils at the school.
- the quality of leadership in and management of the school

In addition, inspectors must also consider:

- the spiritual, moral, social and cultural development of pupils at the school
- the extent to which the education provided by the school meets the needs of the range of pupils at the school, and in particular the needs of:
 - pupils who have a disability for the purposes of the Equality Act 2010
 - pupils who have special educational needs.

2014 Key Stage 2 Attainment Headline Data %

	School 2014 Level 4	School 2013 Level 4	National 2013 Level 4	School 2014 Level 5	School 2013 Level 5	National 2013 Level 5	School 2014 Level 6	School 2013 Level 6	National 2013 Level 6
Maths	100	98	85	58.3	48	41	25	11	6
Reading	98.3	85	86	63	50	44	-	1	-
Writing	97	88	83	45	29	30	3	-	2
SPAG	87	-	-	65	-	-	1.6	-	-

2014 Key Stage 2 Progress Headline Data %

	2 levels progress	National 2013 2 levels progress	3 levels progress	National 2013 3 levels progress	4 levels progress
Maths	98	89	52	31	10
Reading	95	88	34	30	-
Writing	96	91	35	30	-

FINANCIAL REVIEW

Financial report for the period

Most of the Academy's income is obtained from the Education Funding Agency (EFA) and the Local Authority in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2014, total expenditure of £1,907k was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £253k.

At 31 August 2014 the net book value of fixed assets was £3.812k. Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

THE PRIMARY FIRST TRUST
REPORT OF THE DIRECTORS
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

Financial report for the period continued

The London Borough of Bexley Pension Fund, in which the Academy participates, showed a deficit of £269k at 31 August 2014. Of this sum, £234k was inherited by The Primary First Trust from the London Borough of Bexley on 1 November 2013, the date the local authority's staff transferred to employment with the Academy.

The Statement of Financial Activities includes the assets and liabilities from the predecessor school, details of these can be found in Note 10.

Reserves policy

The Directors 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 Directors have determined that the appropriate level of free reserves should be equivalent to 4 week's expenditure, which is approximately £400k.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves of £268k (total funds less the amount held in fixed assets and restricted funds).

Investment policy

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Financial position

The Academy held fund balances at 31 August 2014 of £3,994k comprising £3,726k of restricted funds and £268k of unrestricted general funds. Of the restricted funds £3,812k is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £269k in deficit.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risks to which The Academy is exposed to relate primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow
- Reduction in student numbers

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £269k.

Principal Risks and Uncertainties

The principal risks and uncertainties that The Primary First Trust faces are mitigated by the risk management process that the academy trust has in place.

Risk management

The Directors 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 Directors 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. The Directors have introduced systems, including operational procedures 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 on page 8.

THE PRIMARY FIRST TRUST
REPORT OF THE DIRECTORS
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

PLANS FOR FUTURE PERIODS

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students are fully prepared for the next steps in their school life. At Board level the Trust will work with Local Authorities, The Department for Education and Individual schools to manage grow the number of schools at a manageable rate.

The school knows its strengths and weaknesses based on continual self-assessment. External validation through an annual programme of external review- is well used to formulate developments. The School Development Plan is succinct and well-focussed on key developmental areas. Subject areas also assess their outcomes and plan developments accordingly.

Subject areas that are underperforming are challenged and supported so that improvements are made. Colleagues that require support to improve their own professional practice are similarly challenged and supported. Interventions for students are thorough, although these are being modified to focus even more clearly of key strategic areas for improvement.

The culture is one of openness and senior staff and teaching staff are clear about the need to collaborate and commit to their own professional development.

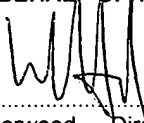
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
W Harwood - Director

Date: 10/12/14

THE PRIMARY FIRST TRUST
GOVERNANCE STATEMENT
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that The Primary First Trust 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 of loss.

The Board of the Directors has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Primary First Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Directors and in the Statement of Directors Responsibilities. The Board of Directors has formally met 5 times during the period. Attendance during the period at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
J D H Smith	5	5
C Foster	5	5
W Harwood	4	5
S Ristow	5	5
M J Wallbridge	5	5

Each school also has its own Governing Body

Attendance during the period at meetings of the Barnehurst Infant and Junior School Full Governing Body was as follows:

Governors	Meetings attended	Out of a possible
J Smith	3	3
K Powell	3	3
C Foster	3	3
S Brown	3	3
B Harwood	3	3
S Ristow	3	3
M Wallbridge	3	3
D Gardiner	2	3
V Grainger	3	3
J O'Neill	3	3
D Whalley	1	3
T Love	3	3
A Maher	1	3
E Hunwick (term ended)	2	3
R Gillespie (term ended)	1	3
J Scrutton (term ended)	-	3

The Finance Committee is a sub-committee of the main governing body. Its purpose is to provide guidance to the Governing Body and Executive Headteacher on all matters relating to finance as outlined in the Financial Regulations.

Attendances at meetings of the Finance Committee in the period were as follows:

Governors	Meetings attended	Out of a possible
S Ristow	2	2
C Foster	3	3
J O'Neill	2	2
M Wallbridge	1	2
D Gardiner	2	2
B Harwood	2	3
J Smith	2	3
K Powell	2	3

The Trust is in the process of establishing a separate finance committee and audit committee.

THE PRIMARY FIRST TRUST
GOVERNANCE STATEMENT
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

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 on-going 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 The Primary First Trust for the period 18 October 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors 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 Directors 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 18 October 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

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

The Governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed E.F.S., as a company providing R.O services as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems. The RO will be providing on a termly basis, the RO reports to the Board on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

All planned procedures were carried out during the period and no significant issues were found.

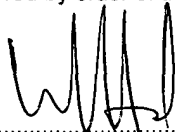
Review of Effectiveness

As Accounting Officer, the Executive 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 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 Directors on 10/12/14 and signed on its behalf by:


.....
W Harwood - Director

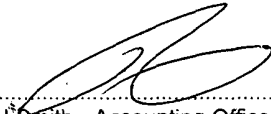

.....
J Smith - Accounting Officer

THE PRIMARY FIRST TRUST
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

As accounting officer of The Primary First Trust I have considered my responsibility to notify the academy trust Board of Directors 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 Directors 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 Directors and the EFA.


.....
J. Smith - Accounting Officer

Date: 10/12/14

THE PRIMARY FIRST TRUST

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014**

The Directors (who act as trustees of The Primary First Trust) are responsible for preparing the Report of the Directors 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the Directors are required to

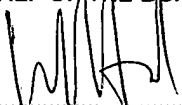
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

The Directors are responsible for ensuring that in its conduct and operation the academy trust 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 Directors 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.

ON BEHALF OF THE BOARD:


.....
W Harwood - Director

Date: 10/12/14

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE PRIMARY FIRST TRUST**

We have audited the financial statements of The Primary First Trust for the period ended 31 August 2014 on pages 15 to 31. 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 Accounts Direction 2014 issued by the Education Funding Agency (EFA).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors Responsibilities set out on page eleven, the Directors 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 trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Michelle Wilkes *UP*

Michelle Wilkes (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Chartered Accountants
Statutory Auditor
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Date: 15/12/14

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PRIMARY FIRST TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Primary First Trust during the period 18 October 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Primary First Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Primary First Trust's funding agreement with the Secretary of State for Education 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 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 18 October 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 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 matter 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.

As a firm we have taken the decision to use the Mercia work programme for regularity audit as approved by the ICAEW. The work undertaken to draw to our conclusion includes:

- Identification and assessment of the design and operational effectiveness of controls in place.
- Assessment and review of the policies and procedures in place and implementation thereof.
- Assessment that the policies and procedures have been implemented.
- Considered the activity represented by the expenditure and considered whether any may represent a breach of terms included within the funding agreement and the academy's charitable objects.
- Confirmed that the results of procedures throughout the audit did not provide any evidence that related party transactions and controlling party, if any, is incomplete.
- Considered whether the movements, including the level of disposals, and depreciation of fixed assets appear reasonable in view of our knowledge of the academy, its funding and consent received for disposals.
- Verified a sample of grants receivable to grant documentation, especially noting any restrictions as to timing or other recognition of the income, and any claw back clauses.
- Considered whether income appeared to be derived from activities outside of the academy's charitable objects and wider framework of authorities.
- Ensured that bank accounts are operated within the terms of the governing document, delegated powers, and the bank mandates.
- Considered the systems in place to ensure compliance with terms of funding and other relevant authorities (e.g. terms of the Academies Financial Handbook or terms relevant to non-core funding streams).
- Ensured that the overall level of retained funds is acceptable in view of the academy's needs and plans, and that the accumulated funds are justifiable and permissible under the terms of funding.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
THE PRIMARY FIRST TRUST AND THE EDUCATION FUNDING AGENCY

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 18 October 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.

Wilkins Kennedy LLP

Wilkins Kennedy LLP
Chartered Accountants
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Date: 15/12/14

THE PRIMARY FIRST TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Reserve £'000	Total funds £'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	25	-	-	25
Voluntary income - Transfer from Local Authority on conversion	10	165	(234)	3,834	3,765
Activities for generating funds	3	111	5	-	116
Incoming resources from charitable activities					
Academy's educational operations	4	-	2,035	-	2,035
Total incoming resources		301	1,806	3,834	5,941
RESOURCES EXPENDED					
Charitable activities					
Academy's educational operations	6	33	1,773	53	1,859
Governance costs	7	-	48	-	48
Total resources expended	5	33	1,821	53	1,907
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
		268	(15)	3,781	4,034
Gross transfers between funds	19	-	(31)	31	-
Net incoming/(outgoing) resources before other recognised gains and losses		268	(46)	3,812	4,034
Other recognised gains/losses					
Actuarial gains/losses on defined benefit schemes	20	-	(40)	-	(40)
NET MOVEMENT IN FUNDS		268	(86)	3,812	3,994
TOTAL FUNDS CARRIED FORWARD		268	(86)	3,812	3,994

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

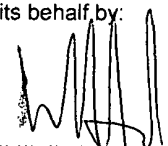
All recognised gains and losses are individual in the Statement of Financial Activities.

The notes form part of these financial statements

BALANCE SHEET
AT 31 AUGUST 2014

	Notes	£'000
FIXED ASSETS		
Tangible assets	13	3,812
CURRENT ASSETS		
Debtors	14	87
Cash in hand		<u>526</u>
		613
CREDITORS		
Amounts falling due within one year	15	(162)
NET CURRENT ASSETS		<u>451</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,263
PENSION LIABILITY	20	(269)
NET ASSETS		<u><u>3,994</u></u>
FUNDS	19	
Unrestricted funds:		
General fund		268
Restricted funds:		
General Restricted		183
Fixed Asset Reserve		3,812
Pension Reserve		<u>(269)</u>
		<u>3,726</u>
TOTAL FUNDS		<u><u>3,994</u></u>

The financial statements were approved by the Board of Directors on 10/12/14 and were signed on its behalf by:


W Harwood - Director


J D H Smith - Director

The notes form part of these financial statements

THE PRIMARY FIRST TRUST
CASH FLOW STATEMENT
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

	Notes	£'000
Net cash inflow from operating activities	23	557
Capital expenditure and financial investment	24	(31)
		<u>526</u>
Increase in cash in the period		<u>526</u>
<hr/>		
Reconciliation of net cash flow to movement in net funds	25	
Increase in cash in the period		<u>526</u>
Change in net funds resulting from cash flows		<u>526</u>
Movement in net funds in the period		526
Net funds at 18 October		<u>-</u>
Net funds at 31 August		<u>526</u>

The notes form part of these financial statements

THE PRIMARY FIRST TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and 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 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 Directors 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 Directors 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 included on the Statement of Financial Activities when the academy trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants receivable

Grants, where conditions have been met to establish entitlement, are included in the statement of financial activities on a receivable basis. Where grants are received but conditions establishing entitlement have not been met, these are deferred. The balance of income receivable for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

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 included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

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.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Academy, a reasonable estimate of the gross value is included within fixed assets and, with an appropriate credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

1. ACCOUNTING POLICIES - continued

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.

Governance costs

Governance costs include the costs attributable to the Academy's compliance and constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Tangible fixed assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £1,000 are written off in the period of acquisition. All other assets are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet). The depreciation on such assets is charged to the restricted fund in the Statement of Financial Activities.

The Property have been included at donated values as provided by DVS Property Specialists. Their valuation report was prepared on 19 December 2013 for the purpose of certifying for capital accounting purposes the valuation of the buildings and land occupied by Barnehurst Infant and Junior School.

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Buildings	2%
Furniture and equipment	25%
ICT equipment	33.3%

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.

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.

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Directors.

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

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

THE PRIMARY FIRST TRUST
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement 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.

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 20, 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 the 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.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2. VOLUNTARY INCOME

	£'000
Trips	17
Donations	<u>8</u>
	<u>25</u>

3. ACTIVITIES FOR GENERATING FUNDS

	£'000
Hire of facilities	73
Catering income	24
Other income	<u>19</u>
	<u>116</u>

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	2014 Total £'000
DfE/ EFA revenue Grants	
General Annual Grant (GAG)	1,475
Start Up Grants	50
Other DfE/ EFA grants	94
Capital grant	10
DfE Capacity fund	<u>257</u>
	1,886
Other Government Grants	
Local Authority Grants	<u>149</u>
	<u>149</u>
Total Grants	<u><u>2,035</u></u>

5. RESOURCES EXPENDED

	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	Total £'000
Charitable activities				
Academy's educational operations				
Direct costs	1,196	45	162	1,403
Allocated support costs	<u>210</u>	<u>73</u>	<u>173</u>	<u>456</u>
	1,406	118	335	1,859
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>48</u>	<u>48</u>
	<u><u>1,406</u></u>	<u><u>118</u></u>	<u><u>383</u></u>	<u><u>1,907</u></u>

Net resources are stated after charging/(crediting):

	£'000
Auditors' remuneration	13
Depreciation - owned assets	53
Operating leases	<u>7</u>

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

6. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Direct costs			
Teaching and educational support staff	-	1,196	1,196
Depreciation	-	45	45
Technology costs	-	5	5
Educational supplies	-	74	74
Staff development	-	37	37
Educational consultancy	-	10	10
Other direct costs	-	36	36
	-	1,403	1,403
Allocated support costs			
Support staff costs	-	210	210
Depreciation	-	8	8
Technology costs	-	26	26
Recruitment and support	-	1	1
Maintenance of premises and equipment	-	35	35
Cleaning	-	5	5
Rent and rates	-	11	11
Energy costs	-	20	20
Insurance	-	23	23
Security and transport	-	2	2
Catering	33	1	34
Other support costs	-	81	81
	33	423	456
	<u>33</u>	<u>1,826</u>	<u>1,859</u>

7. GOVERNANCE COSTS

	£'000
Auditors' remuneration	13
Legal and professional	35
	<u>48</u>

8. DIRECTORS' REMUNERATION AND BENEFITS

The Chief Executive Officer and staff Directors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Academy in respect of their role as Directors. The staff Directors who received remuneration (including pension) are:

Name	2014 Amount
J D H Smith	£95,000 -£100,000
C Foster	£25,000- £30,000

Directors' expenses

Two directors received reimbursed expenditure amounting to £1,915 for school equipment, travel, subsistence, cleaning materials and postage.

Related party transactions including the Directors are set out in note 21.

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

9. STAFF COSTS

	£'000
Wages and salaries	1,127
Social security costs	76
Other pension costs	<u>151</u>
	1,354
Supply teacher costs	<u>52</u>
	<u>1,406</u>

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

Teachers	19
Administration & Support	25
Management	<u>1</u>
	<u>45</u>

The number of employees whose emoluments fell within the following bands was:
£110,001 - £120,000 (full time equivalent)

1

The employee above participated in the Teachers Pension Scheme. During the period to 31 August 2014, pension contributions for this member of staff amounted to £12,275.

10. TRANSFER ON CONVERSION

	Unrestricted Funds £000	Restricted General Funds £000	2014 Total £000
Tangible Fixed Assets			
Freehold land and buildings	-	3,834	3,834
Budget surplus on LA funds	165	-	165
LGPS pension deficit	<u>-</u>	<u>(234)</u>	<u>(234)</u>
Net assets	<u>165</u>	<u>3,600</u>	<u>3,765</u>

The above net assets includes £165k that was transferred as cash.

11. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. For each school the insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2014 was £597 for Barnehurst Infant School and £628 for Barnehurst Junior School.

12. CENTRAL SERVICES

No central services were provided by the Trust to its academies during the period and no central charges arose.

THE PRIMARY FIRST TRUST
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

13. TANGIBLE FIXED ASSETS

	Freehold land & property £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
Transfer on conversion	3,834	-	-	3,834
Additions	-	13	18	31
At 31 August 2014	<u>3,834</u>	<u>13</u>	<u>18</u>	<u>3,865</u>
DEPRECIATION				
Charge for year	<u>45</u>	<u>3</u>	<u>5</u>	<u>53</u>
NET BOOK VALUE				
At 31 August 2014	<u>3,789</u>	<u>10</u>	<u>13</u>	<u>3,812</u>

Included in cost of freehold land and property is land of £1,133,300 which is not depreciated.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£'000
VAT	26
Prepayments and accrued income	61
	<u>87</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£'000
Trade creditors	80
Social security and other taxes	27
Other creditors	4
Accruals and deferred income	51
	<u>162</u>

Deferred Income

	2014 £000
Resources deferred in the year	<u>35</u>
Deferred income at 31 August 2014	<u>35</u>

At the balance sheet date the academy Trust was holding funds received in advance for universal free school meals grant which has been received relating to the year to August 2015.

THE PRIMARY FIRST TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014**

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases £'000
Expiring:	
Within one year	2
Between one and five years	<u>1</u>
	<u><u>3</u></u>

17. 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 period 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.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Reserve £'000	Total 2014 funds £'000
Fixed assets	-	-	3,812	3,812
Current assets	194	419	-	613
Current liabilities	-	(162)	-	(162)
Pension liability	<u>-</u>	<u>(269)</u>	<u>-</u>	<u>(269)</u>
	<u>194</u>	<u>(12)</u>	<u>3,812</u>	<u>3,994</u>

19. MOVEMENT IN FUNDS

	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	31 August 2014 £000
Restricted General Funds				
General Annual Grant (GAG)	1,475	(1,409)	(31)	35
Start Up Grant	50	(50)	-	-
Other DfE/ EFA grants	94	(94)	-	-
Capital Grant	10	(10)	-	-
DfE Capacity Fund	257	(109)	-	148
LA and other Grants	149	(149)	-	-
Insurance refunds	<u>5</u>	<u>(5)</u>	<u>-</u>	<u>-</u>
	<u>2,040</u>	<u>(1,826)</u>	<u>(31)</u>	<u>183</u>
Restricted Fixed Asset Funds				
General Fixed Assets	-	(8)	31	23
Assets transferred from predecessor academy	<u>3,834</u>	<u>(45)</u>	<u>-</u>	<u>3,789</u>
	<u>3,834</u>	<u>(53)</u>	<u>31</u>	<u>3,812</u>

THE PRIMARY FIRST TRUST
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

19. MOVEMENT IN FUNDS - continued

Pension Reserve	<u>(234)</u>	<u>5</u>	<u>(40)</u>	<u>(269)</u>
Total Restricted Funds	<u>5,640</u>	<u>(1,874)</u>	<u>(40)</u>	<u>3,726</u>
Total Unrestricted Funds	<u>301</u>	<u>(33)</u>	<u>-</u>	<u>268</u>
Total Funds	<u>5,941</u>	<u>(1,907)</u>	<u>(40)</u>	<u>3,994</u>

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

Other DfE/EFA grants: This includes the pupil premium and the devolved formula capital grant and sports grant.

Capital Grant - grant received from EFA for catering equipment.

DfE Capacity fund: Sponsor of two other primary schools to incorporate them into the MAT.

LA and other grants: This includes High Needs top-up, EYFS grant, pupil premium and support for another school grant all received from local authority.

The transfer of funds relate to the purchase of fixed assets during the period and to cover the additional costs over and above those covered by the GAG funding.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £000
Barnehurst Infant School	87
Barnehurst Junior School	160
Primary First Trust	<u>204</u>
Total before fixed assets and pension reserve	<u>451</u>
Pension reserve	(269)
Restricted Fixed asset fund	<u>3,812</u>
Total	<u><u>3,994</u></u>

Analysis of academies by cost

Expenditure incurred by each academy during the period was as follows:

	Teaching & Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other costs (excluding) depreciation £000	Total £000
Barnehurst Infant School	542	86	38	150	816
Barnehurst Junior School	515	103	36	163	817
Primary First Trust	<u>139</u>	<u>21</u>	<u>-</u>	<u>13</u>	<u>173</u>
Academy Trust	<u><u>1,196</u></u>	<u><u>210</u></u>	<u><u>74</u></u>	<u><u>326</u></u>	<u><u>1,806</u></u>

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

20. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Bexley.. 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 2004 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.

Teachers' pension scheme Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

THE PRIMARY FIRST TRUST
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

20. PENSION COMMITMENTS - continued

Teachers' Pension Scheme Changes

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

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

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

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

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £66k, of which employer's contributions totalled £54k and employees contributions totalled £12k.

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 of Education. The guarantee came into force on 18 July 2013.

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

20. PENSION COMMITMENTS - continued

Principle Actuarial assumptions

	At 31 August 2014
	%
Rate of increase in salaries	3.7
Rate of increase for pensions in payment / inflation	2.2
Discount rate for scheme liabilities	4.0
Inflation assumption (CPI)	2.2
Commutation of pensions to lump sums	50.0

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

	At 31 August 2014
Retiring in 20 years	
Males	25.3
Females	28.3
Retiring today	
Males	23.0
Females	25.4

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

	Expected return at 31 August 2014	Value at 31 August 2014
	%	£000
Equities	7.0	217
Government bonds	2.9	-
Other bonds	3.8	32
Property	6.2	38
Cash	0.5	2
Other	7.0	68
Total market value of assets		357
Present value of scheme liabilities		
Funded		(626)
Surplus/ (deficit) in the scheme		(269)

The return on the fund (on a bid value to bid value basis) for the period to 31 August 2014 is estimated to be £22k. This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on scheme assets was £19k.

Amounts recognised in the statement of financial activities

	2014 £000
Current service cost (net of employee contributions)	43
Total Operating Charge	43

Analysis of pension finance income/ (costs)

Expected return on pension scheme assets	15
--	----

THE PRIMARY FIRST TRUST
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

20. PENSION COMMITMENTS - continued

Local government pension scheme	
Interest on pension liabilities	(21)
Pension finance income/ (costs)	(6)

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 £23k loss.

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

	2014
	£000
At 1 November 2013	533
Current service cost	43
Interest cost	21
Employee Contributions	12
Actuarial (gain)/ loss	43
At 31 August 2014	626

Movement in the fair value of academy's share of Scheme assets:

	2014
	£000
At 1 November 2013	299
Expected return on assets	15
Actuarial gain/(loss)	3
Employer contributions	54
Employee contributions	12
At 31 August 2014	357

The estimated value of employer contributions for the year ended 31 August 2015 is £59k.

The five-year history of experience adjustments is as follows:

	2014	2013
	£000	£000
Present value of defined benefit obligations	(626)	(533)
Fair value of share of scheme assets	357	299
	<u>(269)</u>	<u>(234)</u>
Experience adjustments on share of scheme assets:		
Amount £000	1	-
Experience adjustments on scheme liabilities:		
Amount £000	-	-

THE PRIMARY FIRST TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 18 OCTOBER 2013 TO 31 AUGUST 2014

21. 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 Education Funding Agency 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 reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

22. RELATED PARTY DISCLOSURES

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

23. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	£'000
Net incoming resources	4,034
Depreciation charges	53
Transfer from Local Authority on conversion	(3,600)
Increase in debtors	(87)
Increase in creditors	162
Difference between pension charge and cash contributions	(5)
Net cash inflow from operating activities	<u>557</u>

24. ANALYSIS OF CASH FLOWS HEADINGS

	£'000
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(31)
Net cash outflow for capital expenditure and financial investment	<u>(31)</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 18.10.13 £'000	Cash flow £'000	At 31.8.14 £'000
Net cash:			
Cash in hand	-	526	526
	<u>-</u>	<u>526</u>	<u>526</u>
Total	<u>-</u>	<u>526</u>	<u>526</u>