

Registered number: 09341839

Northwood Park Primary School

Annual report and financial statements

For the period ended 31 August 2015



DAINS
ACCOUNTANTS

Northwood Park Primary School
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the academy, its governors and advisers	1
Governors' report	2 - 10
Governance statement	11 - 15
Statement on regularity, propriety and compliance	16
Governors' responsibilities statement	17
Independent auditors' report	18 - 19
Independent reporting accountant's assurance report on regularity	20 - 21
Statement of financial activities	22
Balance sheet	23
Cash flow statement	24
Notes to the financial statements	25 - 45

Northwood Park Primary School
(A company limited by guarantee)

Reference and administrative details of the academy, its members/ Governors and advisers
For the period ended 31 August 2015

Governors	C Nightingale*, Chair (appointed 4 December 2014) C Tagg*, Vice Chair (appointed 4 December 2014) S Adcock (appointed 4 December 2014) J Addinell (appointed 4 December 2014) M Faulkner (appointed 4 December 2014) D Hardaker (appointed 4 December 2014) I Harris* (appointed 4 December 2014) T Keyworth (appointed 4 December 2014) G Morris (appointed 4 December 2014) M Price (appointed 4 December 2014) S Salter-Wing (appointed 4 December 2014, resigned 6 March 2015) R Sandel (appointed 4 December 2014, resigned 17 November 2015) A Tagg (appointed 4 December 2014) E Westwood* (appointed 4 December 2014)
------------------	--

* = member of Finance, General Purposes, Site and Personnel Committee

Company registered number	09341839
Principal and registered office	Collingwood Road Bushbury Wolverhampton West Midlands WV10 8DS
Company secretary	G Draycott
Senior management team	G Morris, Head Teacher M Price, Deputy Head Teacher R Joannou, Assistant Head Teacher N Boys, Assistant Head Teacher R Cook, Senior Manager E Barrett, Senior Manager G Draycott, Business Director
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH

**Northwood Park Primary School
(A company limited by guarantee)**

**Governors' report
For the period ended 31 August 2015**

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of Northwood Park Primary School (the academy) for the period ended 31 August 2015. The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and was incorporated by a Memorandum of Association on 4 December 2014. The academy has exempt charity status and its principal regulator is the Department for Education (DfE).

On 1 January 2015 the school converted to an academy. The academy has shortened its first accounting reference date to 31 August 2015 to coincide with the end of the academic year.

The principal object of the academy is to provide education services and advance, for the public benefit, education in the United Kingdom.

b. Members' liability

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

c. Method of recruitment and appointment or election of Governors

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association and are the Governors of the academy.

In accordance with the Articles of Association, the academy's Governing Body shall be not less than three but shall not be subject to any maximum and shall comprise the following:

- up to six Governors appointed by the Members
- staff Governors
- the Head Teacher
- a minimum of two parent Governors
- co-opted Governors

The total number of Governors (including the Head Teacher) who are employees of the academy shall not exceed one third of the total number of Governors.

d. Policies and procedures adopted for the induction and training of Governors

The Board of Governors has devised an informal induction process to ensure that all Governors understand their roles and responsibilities. The training and induction provided for new Governors will depend on their experience but would always include an induction meeting with the Head Teacher and the Chair of Governors, a tour of the Academy with the Chair of Governors, and a chance to meet staff and pupils. All Governors have access to policies, procedures, minutes, accounts and budgets and other documents they will need to undertake their role as Governors. All Governors are subject to DBS checks.

e. Organisational structure

Northwood Park Primary School is a standalone academy. Its Trustees meet at least termly, with sub-committees meeting twice termly.

The Board of Governors establish an overall framework for the governance of the Academy and is responsible for setting general policy, adopting an annual plan and budget, monitoring the use of the budget, making strategic decisions about the direction of the company and senior staff appointments.

The Board of Governors is a mix of parents, staff and co-opted Governors.

The Head Teacher is the Accounting Officer and the Governors are responsible for the performance management of the Head Teacher.

f. Risk management

The Governors have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and Activities

a. Objects and aims

It is our overall aim to raise the standards of education at Northwood Park Primary School and to promote continuous improvement

We achieve this by making a firm commitment to achieving Best Value in all areas. We will strive to demonstrate economy, efficiency and effectiveness. We will:

Challenge	why, how and by whom an activity is carried out
Compare	performance against other schools and between parts of each school
Consult	involving stakeholders, especially pupils and parents
Compete	as a means of securing efficient and effective services

Northwood Park Primary School aims to provide a balanced and broad curriculum, based around the five outcomes of 'Every Child Matters' which:

- promotes the spiritual, moral, cultural, mental and physical development of pupils at school and in society; and
- prepares pupils for the opportunities, responsibilities and experience of adult life.

We recognise the Curriculum Statement of Wolverhampton LA and fully subscribe to the following principles that, within the primary school ethos, staff at Northwood Park Primary School aim to:

- provide all pupils with access to a broad and balanced range of educational opportunities, whatever their sex, race, ethnicity, or special circumstances;
- promote the development of each pupil's intellectual, social, emotional, spiritual, aesthetic, creative, moral, ethical and physical attributes;
- offer a curriculum which enables pupils to develop the ability and commitment to participate as actively and constructively as possible in society;
- take proper account in the educational process of other influences to which young people are exposed by their own cultures, communities and society;
- nurture inventiveness, originality and creativity at all stages of the educational process and encourage children and staff to work together to ensure the highest possible standards of work and behaviour.

We also fully support the notion of entitlement within the education service, the entitlement to a good quality education, particularly the entitlement of each child to a full and varied educational career.

To help fulfil these aims, the Governors and school have provided significant extra classroom support to help meet the needs of the integrated pupils and also to release all teachers in order that they can monitor and manage their curriculum areas, support colleagues and improve standards.

**Northwood Park Primary School
(A company limited by guarantee)**

**Governors' report (continued)
For the period ended 31 August 2015**

b. Public benefit

The Governors confirm that they have complied with the requirement in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Achievements and performance

a. Going concern

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

b. Key performance indicators

Pupils across the Academy are performing above national in most areas.

Phase	Subject	School	National	Difference
Foundation Stage	Good Level of Development	65%	61%	+4%
Year 1	Phonics	76%	77%	-1%
KS1	Reading	17.6 APS	16.6 APS	+1.0
	Writing	16.5 APS	15.3 APS	+1.2
	Maths	17.4 APS	16.4 APS	+1.0
	Reading L2c	94%	90%	+4%
	Reading L2b	88%	82%	+6%
	Reading L3	42%	32%	+10%
	Writing L2c	96%	88%	+8%
	Writing L2b	86%	72%	+14%
	Writing L3	26%	18%	+9%
	Maths L2c	97%	93%	+4%
	Maths L2b	89%	82%	+7%
	Maths L3	40%	26%	+14%
KS2	Reading	29.5	29.0	+0.5
	Writing	28.9	28.2	+0.7
	Maths	29.4	29.0	+0.4
	Grammar	30.2	29.1	+1.1
	Reading L4	98%	89%	+9%
	Reading L5	44%	48%	-4%
	Writing L4	96%	87%	+9%
	Writing L5	35%	36%	-1%
	Maths L4	95%	87%	+8%
	Maths L5	46%	41%	+5%
	Grammar L4	89%	80%	+9%
	Grammar L5	63%	55%	+8%
	Reading, Writing & Maths combined	91%	80%	+11%

b. Key performance indicators (continued)

Key performance indicators that Northwood Park Primary School ("NPPS") assess to analyse the performance of the Academy are as follows;

Monitoring

The monitoring of standards of attainment, pupils' progress, teaching and learning, the curriculum and all other aspects of school life is an important responsibility to which we will give high priority. An effective monitoring strategy will be a key part of our management structure that will enable us to carry out data analysis, evaluate processes and outcomes, evaluate, review, plan and set targets to enable the school to make good progress and improve and raise the standard of achievement of all its pupils.

The information from monitoring will be used by Governors, working with the Head Teacher, to set the educational priorities of our School Development and Improvement Plan ("SDIP"). We also aim to keep Governors and parents well informed about the work of the school. Monitoring leads to evaluation and planned action so that we can continually improve and develop as a school. Each year we consider how we are currently performing and from this we prioritise those areas which are to become targets within the SDIP. Each target within the SDIP is monitored and evaluated against success criteria.

For Monitoring to be effective in leading to improvement, we believe it must be set in a positive climate, include frequent and positive feedback, identify and use strengths of Staff, be set against specific targets and refer to intended outcomes including pupils' achievements and improvements in the classroom.

Raiseonline

Scrutiny of this data published in October along with the Inspection Dashboard which should feed into the self evaluation process and development planning. All outcomes are shared with all stakeholders.

Numbers on roll

The popularity of NPPS continues to grow. Numbers on roll have grown from 492 pupils to 519 (+27) within the year.

Attendance

Although Attendance figures are slightly below national, they have improved year on year. This year absence has improved from 4.7% to 4.45%. Persistent absentees have improved from 3.4% to 1.85%.

**Northwood Park Primary School
(A company limited by guarantee)**

**Governors' report (continued)
For the period ended 31 August 2015**

Financial review

a. Financial review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the DfE during the period ended 31 August 2015 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 DfE and these 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 useful life of the assets concerned, as defined in the academy's accounting policies.

During the period ended 31 August 2015, total expenditure (before depreciation and movements on the pension reserve) of £1,492,771 was covered by recurrent grant funding from the DfE, together with other incoming resources of £1,708,231. The excess of income over expenditure before depreciation and pension reserve movements for the period (excluding fixed asset funds and assets transferred on conversion) was £215,460.

At 31 August 2015, the net book value of fixed assets was £1,553,901 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The land, buildings and other assets were transferred to the academy on conversion. Land and buildings were professionally valued in March 2015 at £1,492,000, on a depreciated replacement cost basis. Other assets transferred on conversion have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

Key financial policies adopted or reviewed during the period include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, senior leaders, budgets holders and other staff, as well as delegated authority for spending.

b. Financial and risk management objectives and policies

The Academy is developing a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Governors and include the financial risks to the Academy. The register and plan will be formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finance, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy has an adequate intake of pupils, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at the Finance, General Purposes, Site, Personnel and Audit meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known anticipated commitments.

At the period end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governors recognise that the defined benefit scheme deficit (Local Government Pension Scheme) which is set out in Note 25 to the financial statements, represents a significant potential liability. However, as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

c. Principal risks and uncertainties

The principal risks facing the Academy are as follows:

- damage to Academy building, e.g. flooding/fire
- late payment of grant funding impacting on cash flow
- long-term illness of Head Teacher or key personnel
- available school places cannot meet demand
- loss of teaching staff to higher paid posts

d. Reserves policy

The Governors review the reserve levels of the Academy termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Academy's current level of unrestricted reserves is £71,303.

e. Principal funding

The academy receives its principal funding from the government through the Education Funding Agency.

**Northwood Park Primary School
(A company limited by guarantee)**

**Governors' report (continued)
For the period ended 31 August 2015**

Plans for future periods

a. Future developments

Northwood Park Primary School was rated 'Good' by Ofsted in 2011 and has continued to progress to achieve outstanding results in the subsequent years. The Academy's plans for 2015 – 16 are detailed in the School Development and Improvement plan and aim to continue to enhance this.

In addition, the school intends to investigate the possibility of converting to a Multi-Academy Trust, with the intention of sponsoring another school during 2015 – 16.

Disclosure of information to auditors

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

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

This report was approved by order of the Board of Governors on 1 December 2015 and signed on the board's behalf by:



**C Nightingale
Chair of Governors**

**Northwood Park Primary School
(A company limited by guarantee)**

Governance Statement

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Northwood Park 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 Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Northwood Park Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Board of Governors has formally met 2 times during the period.

Attendance during the period at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
C Nightingale, Chair	1	2
C Tagg, Vice Chair	2	2
S Adcock	0	2
J Addinell	1	2
M Faulkner	1	2
D Hardaker	1	2
I Harris	2	2
T Keyworth	1	2
G Morris	2	2
M Price	1	2
S Salter-Wing (resigned 6 March 2015)	0	0
R Sandel (resigned 17 November 2015)	0	2
A Tagg	1	2
E Westwood	2	2

**Northwood Park Primary School
(A company limited by guarantee)**

Governance Statement (continued)

Governance reviews:

Prior to Northwood Park Primary School's conversion to an Academy, a full skills review was conducted on all existing Governors to ensure that the Governing Board had appropriate skills to drive the Academy forward. As a result of this audit, new Governors have been appointed to address the gap in skills.

The Finance, General Purposes, Site Personnel and Audit Committee is a sub-committee of the main Board of Governors. Its purpose is to be responsible for budget monitoring, strategic health and safety, staffing matters and issues around the building.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
I Harris	4	4
C Nightingale	2	4
C Tagg	4	4
E Westwood	4	4
S Adcock	1	1
J Addinell	1	1
M Faulkner	1	1
D Hardaker	1	1
T Keyworth	1	1
R Sandel (resigned 17 November 2015)	1	1

Review of Value for Money

As Accounting Officer, the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

During the last financial year, Northwood Park Primary School has continued to take steps to ensure that children receive the best education whilst achieving best value with the funding available.

Using the School Development Plan, the Trust has ensured that there is a continued focus on key areas which has included ensuring the Academy successfully works to the new curriculum.

The Academy has continued to improve on results across the school, consistently achieving above national statistics in all areas. A review of the organisational structure is conducted annually, and reviewed throughout the year to ensure that our resources are used effectively. A full budget review is conducted every half term.

Income is generated from parents for school trips, dinners, breakfast club and music exams, and ParentPay was implemented in January 2015 to ensure that the collection of this income was robust.

Northwood Park Primary school has robust financial procedures in place and staff are fully trained and competent in the processes. The Academy has successfully implemented free school meals for all Key Stage 1 and Foundation Stage children and the kitchen now provides over 220 nutritional meals a day. The Trust has produced a detailed financial analysis of how the pupil premium funding was spent and the impact of the funding for individual pupils.

The Trust has internal controls in place to ensure strict financial procedures are followed. A Responsible Officer is appointed to make independent checks. The management receives regular budget reports which are analysed to identify areas of overspend and underspend. Regular monitoring ensures the best use of resources and prevents waste. Bank balances are carefully monitored.

The Trust purchases a commercial insurance package and also staff absence insurance to ensure it has adequate cover to manage risks.

The Academy regularly apply for suitable additional funding.

There is a constant desire within the trust to improve through better systems that lead to better outcomes for pupils and achieving best value is key to our success.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northwood Park Primary School for the period 1 January 2015 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 1 January 2015 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The Risk and Control Framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the Finance, General Purposes, Site Personnel and Audit 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 Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed S4S to perform additional checks.

S4S's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

On an annual basis, S4S report to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

Review of Effectiveness

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

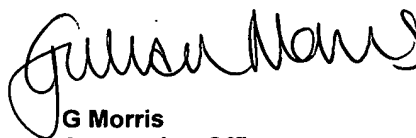
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, General Purposes, Site Personnel and Audit 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 Governors on 1 December 2015 and signed on its behalf, by:



C Nightingale
Chair of Governors



G Morris
Accounting Officer

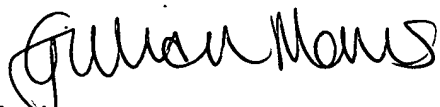
**Northwood Park Primary School
(A company limited by guarantee)**

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Northwood Park Primary School I have considered my responsibility to notify the Academy Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Board of Governors are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

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 Governors and EFA.



**G Morris
Accounting Officer**

Date: 1 December 2015

**Northwood Park Primary School
(A company limited by guarantee)**

**Governors' responsibilities statement
For the period ended 31 August 2015**

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

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

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

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

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

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

Approved by order of the members of the Board of Governors on 1 December 2015 and signed on its behalf by:



**C Nightingale
Chair of Governors**

**Northwood Park Primary School
(A company limited by guarantee)**

Independent auditors' report to the members of Northwood Park Primary School

We have audited the financial statements of Northwood Park Primary School for the period ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Governors and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

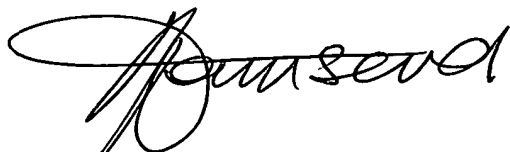
**Northwood Park Primary School
(A company limited by guarantee)**

Independent auditors' report to the members of Northwood Park Primary School

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Julian Townsend ACA FCCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
1 December 2015

**Northwood Park Primary School
(A company limited by guarantee)**

**Independent reporting accountants' assurance report on regularity to Northwood Park Primary School
and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 5 March 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northwood Park Primary School during the period 1 January 2015 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Northwood Park Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Northwood Park Primary School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Northwood Park Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Northwood Park Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Northwood Park Primary School's funding agreement with the Secretary of State for Education dated 30 December 2014, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

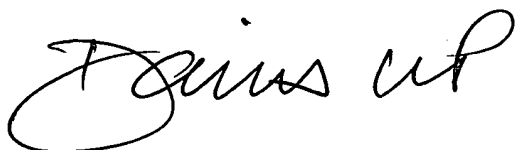
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

**Northwood Park Primary School
(A company limited by guarantee)**

**Independent reporting accountants' assurance report on regularity to Northwood Park 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 January 2015 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

1 December 2015

Northwood Park Primary School
(A company limited by guarantee)

Statement of financial activities
(incorporating income and expenditure account and statement of total recognised gains and losses)
For the period ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Incoming resources					
Incoming resources from generated funds:					
Transfer of assets on conversion	2	46,911	(630,000)	1,560,830	977,741
Other voluntary income	2	1,167	13,016	-	14,183
Activities for generating funds	3	18,646	-	-	18,646
Investment income	4	240	-	-	240
Incoming resources from charitable activities	5	5,628	1,622,623	3,795	1,632,046
Total incoming resources		72,592	1,005,639	1,564,625	2,642,856
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income	6	1,127	50,015	-	51,142
Charitable activities	8	162	1,427,168	27,664	1,454,994
Governance costs	9	-	25,299	-	25,299
Total resources expended	10	1,289	1,502,482	27,664	1,531,435
Net incoming / (outgoing) resources before transfers		71,303	(496,843)	1,536,961	1,111,421
Transfers between Funds	19	-	(37,989)	37,989	-
Net movement in funds for the period		71,303	(534,832)	1,574,950	1,111,421
Total funds at 4 December 2014		-	-	-	-
Total funds at 31 August 2015		71,303	(534,832)	1,574,950	1,111,421

All of the academy's activities derive from acquisitions in the current financial period.

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

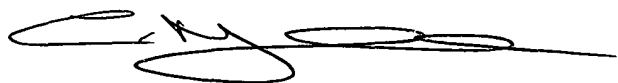
The notes on pages 25 to 45 form part of these financial statements.

Northwood Park Primary School
(A company limited by guarantee)
Registered number: 09341839

Balance sheet
As at 31 August 2015

	Note	£	2015 £
Fixed assets			
Tangible assets	16		1,553,901
Current assets			
Debtors	17	88,984	
Cash at bank		532,048	
		<u>621,032</u>	
Creditors: amounts falling due within one year	18	<u>(422,512)</u>	
Net current assets			<u>198,520</u>
Total assets less current liabilities			<u>1,752,421</u>
Defined benefit pension scheme liability	25		<u>(641,000)</u>
Net assets including pension scheme liability			<u><u>1,111,421</u></u>
Funds of the academy			
Restricted funds:			
Restricted funds	19	106,168	
Restricted fixed asset funds	19	1,574,950	
		<u>1,681,118</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(641,000)</u>	
Total restricted funds			<u>1,040,118</u>
Unrestricted funds	19		<u>71,303</u>
Total funds			<u><u>1,111,421</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 1 December 2015 and are signed on their behalf, by:



C Nightingale
Chair of Governors

The notes on pages 25 to 45 form part of these financial statements.

**Northwood Park Primary School
(A company limited by guarantee)**

**Cash flow statement
For the period ended 31 August 2015**

		Period ended 31 August 2015 £
	Note	
Net cash flow from operating activities	21	501,837
Returns on investments and servicing of finance	22	240
Capital expenditure and financial investment	22	(34,194)
Cash transferred on conversion to an academy trust	24	64,165
Increase in cash in the period		532,048

All of the cash flows are derived from acquisitions in the current financial period.

**Reconciliation of net cash flow to movement in net funds
For the period ended 31 August 2015**

	Period ended 31 August 2015 £
Increase in cash in the period	532,048
Movement in net funds in the period	532,048
Net funds at 31 August 2015	532,048

The notes on pages 25 to 45 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

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 (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, and the Companies Act 2006.

1.2 Going concern

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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

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

1. Accounting policies (continued)

1.4 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Fund accounting

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

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

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

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

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and are carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

On 1 January 2015 Wolverhampton City Council granted the Academy a lease for the School site. As the School is a specialised property, as defined in Financial Reporting Standard Number 15, this long term leasehold property has been valued in the financial statements on a Depreciated Replacement Cost basis.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line
Long-term leasehold land	-	over 125 year lease
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

1.7 Operating leases

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

1.8 Taxation

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

1. Accounting policies (continued)

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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.

1.10 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Northwood Park Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Northwood Park Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

Northwood Park Primary School**(A company limited by guarantee)****Notes to the financial statements****For the period ended 31 August 2015****2. Voluntary income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Transfer of assets on conversion	46,911	930,830	977,741
Donations	1,167	-	1,167
Catering income	-	1,441	1,441
Educational visits and extended services	-	11,575	11,575
Subtotal	1,167	13,016	14,183
Voluntary income	48,078	943,846	991,924

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Music income	150	-	150
General sales income	8,236	-	8,236
Fundraising activities	10,260	-	10,260
	18,646	-	18,646

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Investment income	240	-	240

Northwood Park Primary School
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2015

5. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	1,320,247	1,320,247
Start Up Grant	-	25,000	25,000
Pupil Premium	-	178,278	178,278
Devolved Capital Grant	-	3,795	3,795
Universal Free School Meals	-	20,419	20,419
PE Grant	-	4,102	4,102
Rates relief	-	1,102	1,102
	-	1,552,943	1,552,943
Other government grants			
Primary expansion funding	-	66,792	66,792
Special needs income	-	6,683	6,683
	-	73,475	73,475
Other funding			
Insurance claims	5,628	-	5,628
	5,628	-	5,628
	5,628	1,626,418	1,632,046

6. Costs of generating voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Catering costs	1,127	49,240	50,367
Educational visits costs	-	775	775
	1,127	50,015	51,142

Northwood Park Primary School**(A company limited by guarantee)****Notes to the financial statements****For the period ended 31 August 2015****7. Analysis of resources expended by activities**

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £
Educational operations	<u>1,116,518</u>	<u>338,476</u>	<u>1,454,994</u>

8. Charitable activities

	Total funds 2015 £
Direct costs - educational operations	
Wages and salaries	825,653
National insurance	48,977
Pension cost	109,928
Depreciation	27,664
FRS17 pension adjustments	14,000
Educational supplies	16,726
Staff development	15,709
Technology costs	12,021
Educational consultancy	34,591
Other direct costs	11,249
	<u>1,116,518</u>
Support costs - educational operations	
Wages and salaries	132,150
National insurance	5,108
Pension cost	21,096
Technology costs	10,275
Professional and consultancy services	69,373
Maintenance	7,015
Cleaning	8,140
Rates	1,103
Water rates	5,703
Energy	36,704
Insurance	23,592
Motor and travel costs	4,901
Postage, stationery, telephone	13,316
	<u>338,476</u>
	<u>1,454,994</u>

Northwood Park Primary School
(A company limited by guarantee)
Notes to the financial statements
For the period ended 31 August 2015

9. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Finance support	-	3,675	3,675
Auditors' remuneration	-	7,200	7,200
Auditors' non audit costs	-	2,211	2,211
Governors' expenses	-	28	28
Legal and professional fees	-	12,185	12,185
	-	25,299	25,299

10. Resources expended

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £
Costs of generating voluntary income	-	-	51,142	51,142
Costs of generating funds	-	-	51,142	51,142
Direct costs	992,541	19,041	104,936	1,116,518
Support costs	158,354	82,257	97,865	338,476
Charitable activities	1,150,895	101,298	202,801	1,454,994
Governance	-	-	25,299	25,299
	1,150,895	101,298	279,242	1,531,435

11. Net incoming / (outgoing) resources

This is stated after charging:

	Period ended 31 August 2015 £
Depreciation of tangible fixed assets: - owned by the charity	27,664
Auditors' remuneration	7,200
Auditors' remuneration - non-audit	2,211

Northwood Park Primary School

(A company limited by guarantee)

Notes to the financial statements

For the period ended 31 August 2015

12. Staff

a. Staff costs

Staff costs were as follows:

	Period ended 31 August 2015 £
Wages and salaries	957,803
Social security costs	54,085
Other pension costs	131,024
	<hr/>
	1,142,912
Supply teacher costs	7,983
	<hr/>
	1,150,895
	<hr/>

b. Staff numbers

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows:

	Period ended 31 August 2015 No.
Teachers	25
Teaching assistants	21
Administration and clerical	2
Management	2
Support staff	9
Caretaker	1
	<hr/>
	60
	<hr/>

c. Higher paid staff

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

	Period ended 31 August 2015 No.
In the band £70,001 - £80,000	1
	<hr/>

The above employee participated in the Teachers' Pension Scheme.

Northwood Park Primary School
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2015

13. Governors' remuneration and expenses

The Head Teacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments from the academy in respect of their role as Governors. The value of Governors' remuneration and employer's pension contributions, fell within the following bands:

	Period ended 31 August 2015 £
G Morris remuneration (Head Teacher and Governor) - 8 months	50,000-55,000
G Morris employer's pension contributions (Head Teacher and Governor) - 8 months	5,000-10,000
M Price remuneration (Staff Governor) - 8 months	35,000-40,000
M Price employer's pension contributions (Staff Governor) - 8 months	5,000-10,000
A Tagg remuneration (Staff Governor) - 8 months	10,000-15,000
A Tagg employer's pension contributions (Staff Governor) - 8 months	0-5,000
T Keyworth remuneration (Staff Governor) - 8 months	10,000-15,000
T Keyworth employer's pension contributions (Staff Governor) - 8 months	0-5,000

During the period, no Governors received any benefits in kind.

During the period ended 31 August 2015, expenses totalling £28 were reimbursed to 1 Governor.

14. Governors' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was included in the total insurance cost of £23,592.

15. Other finance income

	Period ended 31 August 2015 £
Expected return on pension scheme assets	6,000
Interest on pension scheme liabilities	(20,000)
	<hr/>
	(14,000)

Northwood Park Primary School
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2015

16. Tangible fixed assets

	Long-term leasehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 4 December 2014	-	-	-	-
Additions	-	30,707	7,282	37,989
Transferred on conversion	1,499,150	9,699	34,727	1,543,576
At 31 August 2015	1,499,150	40,406	42,009	1,581,565
Depreciation				
At 4 December 2014	-	-	-	-
Charge for the period	19,041	2,380	6,243	27,664
At 31 August 2015	19,041	2,380	6,243	27,664
Net book value				
At 31 August 2015	1,480,109	38,026	35,766	1,553,901

Included in long term leasehold property is land valued at £115,230 which is not depreciated.

The academy' transactions relating to land and buildings included:

- the transfer of leasehold land and buildings from Wolverhampton City Council on 1 January 2015 on a long term 125 year lease. As the school is a specialised property, as defined in Financial Reporting Standard Number 15, this long term leasehold property has been valued in the financial statements on a Depreciated Replacement Cost basis. This lease was gifted to the academy.

Northwood Park Primary School
(A company limited by guarantee)
Notes to the financial statements
For the period ended 31 August 2015

17. Debtors

	2015 £
Other debtors	8,812
Prepayments and accrued income	80,172
	<u>88,984</u>

18. Creditors:
Amounts falling due within one year

	2015 £
Trade creditors	10,194
Other taxation and social security	6,389
Other creditors	214,799
Accruals and deferred income	191,130
	<u>422,512</u>

	£
Deferred income	
Resources deferred during the year	<u>51,022</u>

Northwood Park Primary School
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2015

19. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Unrestricted funds					
General Funds	-	72,592	(1,289)	-	71,303
Restricted funds					
General Annual Grant (GAG)	-	1,320,247	(1,161,224)	(56,211)	102,812
Other DfE / EFA Grants	-	203,901	(183,482)	(20,419)	-
Other Government Grants	-	73,475	(73,475)	-	-
Start Up Grant	-	25,000	(21,644)	-	3,356
Catering	-	1,441	(50,882)	49,441	-
Other income	-	11,575	(775)	(10,800)	-
Pension reserve	-	(630,000)	(11,000)	-	(641,000)
	-	1,005,639	(1,502,482)	(37,989)	(534,832)
Restricted fixed asset funds					
Capital surplus transferred on conversion	-	17,254	-	-	17,254
Assets transferred on Conversion	-	1,543,576	(26,113)	-	1,517,463
DfE / EFA Capital Grants	-	3,795	-	-	3,795
Assets purchased from GAG	-	-	(1,551)	37,989	36,438
	-	1,564,625	(27,664)	37,989	1,574,950
Total restricted funds	-	2,570,264	(1,530,146)	-	1,040,118
Total of funds	-	2,642,856	(1,531,435)	-	1,111,421

Northwood Park Primary School

(A company limited by guarantee)

Notes to the financial statements

For the period ended 31 August 2015

19. Statement of funds (continued)

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

Restricted general funds

This fund represents grants and other income received for the academy's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

This fund represents grants received from the DfE and EFA to carry out works of a capital nature.

Transfers between funds

Transfers between funds relate to fixed assets purchased from GAG.

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 2015.

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
General funds	-	72,592	(1,289)	-	71,303
Restricted funds	-	1,005,639	(1,502,482)	(37,989)	(534,832)
Restricted fixed asset funds	-	1,564,625	(27,664)	37,989	1,574,950
	<u>-</u>	<u>2,642,856</u>	<u>(1,531,435)</u>	<u>-</u>	<u>1,111,421</u>

Northwood Park Primary School
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2015

20. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Tangible fixed assets	-	-	1,553,900	1,553,900
Current assets	71,303	528,680	21,050	621,033
Creditors due within one year	-	(422,512)	-	(422,512)
Provisions for liabilities and charges	-	(641,000)	-	(641,000)
	<u>71,303</u>	<u>(534,832)</u>	<u>1,574,950</u>	<u>1,111,421</u>

21. Net cash flow from operations

	Period ended 31 August 2015 £
Net incoming resources before revaluations	1,111,421
Returns on investments and servicing of finance	(240)
Depreciation of tangible fixed assets	27,664
Non cash gift from local authority	(977,741)
Capital grants from DfE	(3,795)
Increase in debtors	(88,984)
Increase in creditors	422,512
FRS 17 adjustments	11,000
Net cash inflow from operations	<u><u>501,837</u></u>

22. Analysis of cash flows for headings netted in cash flow statement

	Period ended 31 August 2015 £
Returns on investments and servicing of finance	
Interest received	<u><u>240</u></u>

Northwood Park Primary School
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2015

22. Analysis of cash flows for headings netted in cash flow statement (continued)

	Period ended 31 August 2015 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(37,989)
Capital grants from DfE	3,795
	<hr/>
Net cash outflow capital expenditure	(34,194) <hr/> <hr/>

23. Analysis of changes in net funds

	4 December 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	-	532,048	-	532,048
	<hr/>	<hr/>	<hr/>	<hr/>
Net funds	-	532,048	-	532,048
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Northwood Park Primary School
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2015

24. Conversion to an academy trust

On 1 January 2015 Northwood Park Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Northwood Park Primary School from Wolverhampton City Council for £NIL consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,499,150	1,499,150
- Other tangible fixed assets	-	-	44,426	44,426
Budget surplus on LA funds	46,911	-	17,254	64,165
LGPS pension deficit	-	(630,000)	-	(630,000)
Net assets/(liabilities)	<u>46,911</u>	<u>(630,000)</u>	<u>1,560,830</u>	<u>977,741</u>

25. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wolverhampton City Council. Both are defined benefit schemes.

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

There were no outstanding or prepaid contributions at the end of the financial period.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £75,867.

Northwood Park Primary School
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2015

25. Pension commitments (continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £87,000, of which employer's contributions totalled £71,000 and employees' contributions totalled £16,000. The agreed contribution rates for future years are 15.3% for employers and 5.5% - 9.9% 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.

As described in note 24 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	Period ended 31 August 2015 £
Present value of funded obligations	(843,000)
Fair value of scheme assets	202,000
	<hr/>
Net liability	(641,000)
	<hr/>

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

	Period ended 31 August 2015 £
Current service cost	(68,000)
Interest on obligation	(20,000)
Expected return on scheme assets	6,000
	<hr/>
Total	(82,000)
	<hr/>
Actual return on scheme assets	(5,000)
	<hr/>

Northwood Park Primary School
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2015

25. Pension commitments (continued)

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

	Period ended 31 August 2015 £
Current service cost	68,000
Interest cost	20,000
Contributions by employees	16,000
Liabilities inherited on conversion	740,000
Actuarial gains	(1,000)
	<hr/>
Closing defined benefit obligation	843,000 <hr/> <hr/>

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

	Period ended 31 August 2015 £
Expected return on assets	6,000
Contributions by employees	16,000
Assets inherited on conversion	110,000
Contributions by employer	71,000
Actuarial losses	(1,000)
	<hr/>
	202,000 <hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £NIL.

The academy expects to contribute £94,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015
Equities	60.00 %
Government bonds	7.00 %
Other bonds	10.00 %
Property	9.00 %
Cash/liquidity	5.00 %
Other	9.00 %

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

	2015
Discount rate for scheme liabilities	4.00 %
Rate of increase in salaries	4.15 %
Pension increases	2.40 %
Inflation assumption (CPI)	2.40 %

Northwood Park Primary School
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2015

25. Pension commitments (continued)

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

	2015
Retiring today	
Males	23.0 years
Females	25.6 years
Retiring in 20 years	
Males	25.2 years
Females	28.0 years

Amounts for the current period are as follows:

Defined benefit pension schemes

	2015 £
Defined benefit obligation	(843,000)
Scheme assets	202,000
Deficit	<u>(641,000)</u>

26. Operating lease commitments

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

	Land and buildings 2015 £	Other 2015 £
Expiry date:		
Between 2 and 5 years	<u>-</u>	<u>6,922</u>

27. Related party transactions

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

No related party transactions took place in the period of account.