

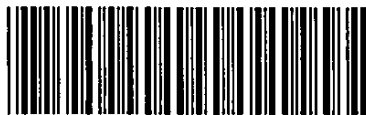
COMPANY LIMITED BY GUARANTEE
REGISTRATION NUMBER 07710870
(ENGLAND AND WALES)

LACEY GREEN PRIMARY ACADEMY
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

THURSDAY



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COMPANIES HOUSE

HW

Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

LACEY GREEN PRIMARY ACADEMY

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

Contents

	Page
Reference and administrative details	1
Trustees' report	2
Governance statement	7
Statement on regularity, propriety and compliance	10
Statement of trustees' responsibilities	11
Independent auditors' report to the members	12
Independent reporting accountant's assurance report on regularity to the academy trust and the Education Funding Agency	14
Statement of financial activities incorporating income & expenditure account	17
Balance sheet	18
Cash flow statement	19
Notes to the financial statements	20

LACEY GREEN PRIMARY ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2013

Governors (Trustees)

L Dooley (Headteacher & Director)*
C Jones (Deputy Head)*
S Shaw (Deputy Head)*
D Budd (Chair of Trustees & Director)*
P Friend (Director)*
P Smith *
J Parker*
C Sargent (Resigned 25 March 2013)
K Anderson
S Russell
L Ewart (Resigned 5 November 2012)
A Taylor-Stokes (Appointed 4 February 2013)

Unless otherwise stated all directors were appointed on 19 July 2011, trustees 1 September 2011

* Members of the Finance & Staffing Committee

Senior Leadership Team

L Dooley (Headteacher) (Director)
C Jones (Deputy Head)
S Shaw (Deputy Head)
M Beanland (Finance Director)

Registered Office & Academy Site:

Barlow Road, Wilmslow, Cheshire, SK9 4DP

Company Registration Number:

07710870

Auditors

HW, Chartered Accountants & Registered Auditors
Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT

Bankers

Lloyds TSB Bank plc
Alderley Road, Wilmslow, SK9 1AP

Solicitors.

Chafes Solicitors
32 London Road, Alderley Edge, SK9 7DZ

LACEY GREEN PRIMARY ACADEMY

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2013

The trustees and directors present their report with the financial statements of the charitable company for the year ended 31 August 2013

Structure, governance and management

Constitution

The academy was incorporated on 19 July 2011 as a company limited by guarantee with no share capital, registration no 07710870. The company commenced operation as an academy on 1 September 2011. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy. The initial members of the charitable company were nominated by the board of trustees of Lacey Green Primary Academy. The Articles of Association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

Members' liability

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

Trustees

Three of the trustees are directors of the charitable company for the purposes of the Companies Act 2006 and all governors are trustees for the purposes of charity legislation.

The trustees who were in office at 31 August 2013 and served during the period are listed on page 1.

Trustees' indemnities

There were no trustee indemnities relating to third parties in place during the year.

Principal activities

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum to the children of Lacey Green and its surrounding areas.

Method of recruitment and appointment or election of trustees

Staff and parent trustees are recruited by nomination and election by all school staff and the parent body. Community trustees are recruited by invitation from the chair or headteacher of persons known to the academy who are able to benefit the academy by their knowledge and expertise.

Policies and procedures adopted for the induction and training of trustees.

New trustees are required to attend a structured new trustee's induction course organised by the local authority. All trustees are encouraged to attend further training courses related to their area of interest and expertise. Trustees receive copies of all policies and procedures and will spend time in school to review operations.

LACEY GREEN PRIMARY ACADEMY

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Organisational structure

The governance of the trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education

All trustees are members of the full board of trustees. In addition trustees are members of committees which report to the full board of trustees

The board of trustees meets twice each term to receive reports from its sub-committees and manage its strategic objectives. The board has three sub-committees

- Finance and Staffing, which meets at least once each term to consider the academy's budgets and financial performance, staffing matters (including absence) and remuneration,
- Curriculum and School Development Plan, which meets at least once each term to consider curricular issues and academic performance against targets, and
- Buildings, Health and Safety, which meets as required to consider any premises requirements

The day to day management is delegated to the headteacher, who has appointed a senior leadership team, which meets weekly to advise the headteacher on her day to day responsibilities

Risk management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. They have introduced systems, including operational procedures (eg vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) 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 following statement

Connected organisations, including related party relationships

The academy is not part of any federation or group. There are no connected organisations to the academy other than those of a contractual nature with Wilmslow High School and related service providers

Objectives and activities

Objects and aims

Lacey Green Primary Academy is a non-selective school situated on the north side of Wilmslow. It draws pupils from its defined catchment area and also from other parts of the town. To assist academic study, the academy runs a breakfast club, booster classes and 1:1 provision for identified pupils. The academy also offers its pupils activities and experiences beyond the academic, with coaching in various sports, including cricket, football, netball, tag rugby, lacrosse etc. Various visits and other offsite activities are organised throughout the year to broaden and deepen pupils' life experiences and to stimulate their imagination and learning

LACEY GREEN PRIMARY ACADEMY

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

The main objectives of the academy for its first three years of operation are summarised below -

- to ensure that each student at the school achieves their full potential by receiving teaching and learning opportunities of the highest standard,
- to develop the learning environment by investment in new facilities and refurbishment of existing areas,
- to promote learning within a disciplined and respectful environment, and
- to promote the personal development and well-being of all employees

Objectives, strategies and activities

The primary objective for the year 2012/2013 was to build on the sound basis established during the first year of academy operation and maintain the good organisational, management and education arrangements at the school to support the increasing number of children. This was achieved with active support from all members of staff and the board of trustees. Teaching staff have maintained the ongoing high standards as recognised by Ofsted Inspections and 2013 SATs results. Maximum funds available have been spent on the education of the children in our care.

Public benefit

The academy is a community school serving the Lacey Green estate and the adjacent defined catchment area. It provides a wide range of after school activities for its pupils and, in conjunction with the third-party nursery, both before and after school care. School playing fields are utilised by the community sports groups when not used by the school.

Achievements and performance

As an outstanding school, at two successive Ofsted inspections, the school was invited to convert to academy status from September 2011 and is now called Lacey Green Primary Academy.

Lacey Green is a successful, popular and high achieving school. The quality of educational experience provided by the school is outstanding. The curriculum is balanced and well suited to the interests, aptitudes and needs of able pupils. The high quality extra-curricular programme significantly enriches pupils' educational experience. It promotes individual interests and new opportunities.

Going concern

After making appropriate enquiries, the board of trustees 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 note of the financial statements.

Key performance indicators

Ofsted: The school was rated as outstanding by Ofsted in March 2006. This was sustained in March 2009.

Attendance 2012/2013 95.9%. This figure is significantly above the national figure for similar schools.

Staff Costs. Total staff cost represents 77% of GAG (local average 80%) despite the provision of Teaching Assistants in every classroom.

LACEY GREEN PRIMARY ACADEMY

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

SATs results

Results at the end of KS1 for 2013 were again outstanding and significantly above the national average KS2 results followed a similar pattern as below

English	Level 4	Level 5+	Level 6	Maths	Level 4	Level 5+	Level 6
School	67%	33%	0%	School	40%	37%	19%
National	49%	35%	1%	National	45%	36%	4%

(National Comparison for end of Key Stage 2 in 2012)

Oversubscribed the school is full in all year groups with 279 children at July 2013 The Published Admission Number (PAN) was reduced by the local authority in 2007 from 45 to 30 However the reception intake for 2009 and 2010 was 45 children, increasing to 60 in September 2012 and 2013 312 children were on role at September 2013 The increased numbers were driven primarily by the popularity of the school, the achievement of academy status and increased local demand

Financial review

Arrangements for financial management of the academy established in the transitional year have proved robust and carried forward the academy into the second year The financial recording system, the outsourced payroll and banking arrangements provide school leadership with information necessary for the good management of funds

The academy endeavours to provide the best possible learning atmosphere and facilities for all its children Resources available to the trustees are utilised carefully and targeted towards maximum benefit for all age groups In the current year all income received from the DfE has been applied to teaching resources as the academy broke-even on the restricted fund after a small transfer to fixed assets The first tranche of tablet computers has been acquired and will replace laptop computers that have reached the end of their useful life

As a consequence of oversubscription and increased pupil numbers, the academy was obliged to recruit an addition teacher at the beginning of the year and provide full resources for an additional 30 children The existing building is now full and trustees are working with the LA and DfE to provide increased facilities for September 2014

During the year a capital grant was received from the DfE to replace the boiler and upgrade the heating system generally The work will be capable of supporting the expansion of the academy due in spring 2014

Financial and risk management objectives and policies

Surplus funds are placed on short-term deposit with the academy's bank and other financial institutions A maximum of £100,000 is deposited with any one bank Trustees continue to explore alternatives to provide a portfolio of such short-term facilities

LACEY GREEN PRIMARY ACADEMY

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Principal risks and uncertainties

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk or 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 reduce the risk to the academy trust policies, aims and objectives. The system evaluates 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 for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of the income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves contain two elements (1) the equivalent to 1 month of the GAG, approximately £100,000, 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 and (2) a capital reserve of £100,000 to support any shortfall in Capital Grants for improvements to the buildings. The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund) is £228,000.

Plans for future periods

During 2013/2014 the trustees must consider

- **Numbers** the demand for places at Lacey Green far exceeds supply. The entry PAN will be increased from 45 to 60 from September 2014. At September 2013 the school will be full with 312 pupils on role.
- **Accommodation** – a capital programme has been agreed and funded to provide four additional classrooms and increased office space. This resulting from basic need and the popularity of the school.
- **Investment strategy:** for school reserve funds, including the use of fixed term deposits with CAFBank, Virgin Money and Lloyds Bank, the academy's bankers.

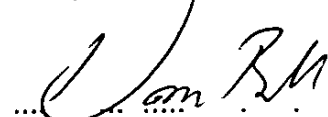
Auditors

In so far as the trustees are aware

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

The audit business HW, Chartered Accountants has been appointed as the company's auditor. The audit report has therefore been issued by HW, Chartered Accountants.

The report of the trustees was approved by the trustees on 4 December 2013 and signed on their behalf by D Budd, Chair of trustees.



D Budd

Chair of trustees

LACEY GREEN PRIMARY ACADEMY

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2013

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the headteacher, 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 Lacey Green Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has met 6 times during the year. Attendance during the meetings of the full board of trustees was as follows:

Trustee	Meetings attended	Out of possible
L Dooley	6	6
C Jones	3	6
S Shaw	5	6
P Smith	3	6
D Budd (Chair)	6	6
P Friend	5	6
J Parker	5	6
C Sargent (Resigned 25 March 2013)	3	3
K Anderson	5	6
S Russell	5	6
L Ewart (Resigned 5 November 2012)	2	2
A Taylor-Stokes (Appointed 4 February 2013)	4	4

The Finance and Staffing committee is a sub-committee of the main board of trustees. Its purpose is to report to the full board of trustees on a timely basis the finance of the academy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
L Dooley	5	5
C Jones	1	5
D Budd	4	5
P Friend (Chair)	5	5
J Parker	4	5
P Smith	2	5
S Shaw (Appointed 18 March 2013)	3	3

LACEY GREEN PRIMARY ACADEMY

GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2013

Two further committees exist to manage the curriculum/school development plan and buildings/health and safety. Committees meet at least once each term and report back to the main board of trustees. Ad hoc meetings are held when required. Minutes are taken at all meetings and held on file.

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's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lacey Green Primary Academy for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The capacity to handle risk is proportionate to the size of the school. The school is a secure site and all visitors must enter through the secure front entrance after identifying themselves and their purpose. Casual visitors are badged and not permitted access to the school unless accompanied by a member of staff or trustee.

The risk and control framework

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Mr M Prior, Chartered Accountant, as Responsible Officer (RO). The RO role includes giving advice in financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the Finance Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The RO completed his most recent review on 25 November 2013 and reported that there were no material control issues.

A schedule of delegated authorities to the headteacher and senior management team has been prepared and approved by the board.

All commitments to purchase and purchase invoices are approved by the headteacher. The head will also sign-off all changes to staff pay and conditions. A review of both processes has been undertaken by the responsible officer during the year.

The head will approve all short and long term investment decisions for surplus funds.

All cash and negotiable documents are held securely overnight. Cash received is taken to the bank at irregular intervals and times of the day.

School data is held on a secure server with restricted password access for children, staff and trustees. The server is backed-up daily and copy data held off site.

LACEY GREEN PRIMARY ACADEMY

GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2013

Review of effectiveness

As accounting officer, the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the board,
- the responsible officer, and
- the external audit

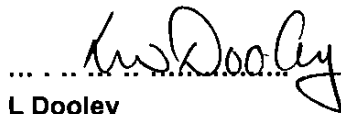
During the year internal controls have been reviewed and developed to cover all aspects of the school's activities, including purchases, payroll, cash, child and data security

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the board of trustees on 4 December 2013 and signed on its behalf by



D Budd
Chair of trustees



L Dooley
Accounting officer

LACEY GREEN PRIMARY ACADEMY


STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

YEAR ENDED 31 AUGUST 2013

As accounting officer of Lacey Green Primary Academy I have considered my responsibility to notify the academy trust's board of trustees and the Education Funding Agency (EFA) 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's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

... .. 

L Dooley

Accounting officer

4 December 2013

LACEY GREEN PRIMARY ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2013

The trustees (who act as governors for charitable activities and are also directors of Lacey Green Primary Academy for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 issued by the Education Funding Agency

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to

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

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

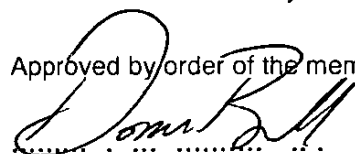
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware

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

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

Approved by order of the members of the board of trustees on 4 December 2013 and signed on its behalf by



D Budd, Chair of trustees

LACEY GREEN PRIMARY ACADEMY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LACEY GREEN PRIMARY ACADEMY

YEAR ENDED 31 AUGUST 2013

We have audited the financial statements of Lacey Green Primary Academy for the year ended 31 August 2013 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 Accounts Direction 2013 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. 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 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

LACEY GREEN PRIMARY ACADEMY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LACEY GREEN PRIMARY ACADEMY (continued)

YEAR ENDED 31 AUGUST 2013

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

JOHN WHITTICK (Senior Statutory Auditor)

For and on behalf of

HW

Chartered Accountants
& Statutory Auditor

Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire WA14 2UT

4 December 2013

LACEY GREEN PRIMARY ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LACEY GREEN PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY

YEAR ENDED 31 AUGUST 2013

In accordance with the terms of our engagement letter dated 22 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lacey Green Primary Academy Trust during the year 1 September 2012 to 31 August 2013 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 Lacey Green Primary Academy 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 Lacey Green Primary Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Lacey Green Primary Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Lacey Green Primary Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lacey Green Primary Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

LACEY GREEN PRIMARY ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LACEY GREEN PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY *(continued)*

YEAR ENDED 31 AUGUST 2013

The work undertaken to draw our conclusions includes

- We have confirmed that the activities conform to the academy trust's framework of authorities As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects

LACEY GREEN PRIMARY ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LACEY GREEN PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY *(continued)*

YEAR ENDED 31 AUGUST 2013

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

HW, Chartered Accountants
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire WA14 2UT



4 December 2013

LACEY GREEN PRIMARY ACADEMY
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 AUGUST 2013

		Unrestricted	Restricted	Restricted	Total	Total
	Note	funds	general	fixed	2013	2012
		£000	funds	asset	£000	£000
			£000	funds		
Incoming resources						
Transfers from local authority on conversion		-	-	-	-	4,903
Incoming resources from generated funds						
Voluntary income	3	13	-	-	13	5
Activities for generating funds	4	107	-	-	107	98
Investment income	5	1	-	-	1	-
Incoming resources from charitable activities						
Funding for the academy's educational operations	6	-	1,127	90	1,217	1,054
Total incoming resources		121	1,127	90	1,338	6,060
Resources expended						
Cost of generating funds						
Costs of activities for generating funds	8	101	-	-	101	64
Charitable activities						
Academy's educational operations	9	-	1,108	37	1,145	1,005
Governance costs	10	-	5	-	5	21
Transfer from local authority on conversion		-	-	-	-	54
Total resources expended	7	101	1,113	37	1,251	1,144
Net incoming/(outgoing) resources before transfers		20	14	53	87	4,916
Gross transfers between funds	17	-	(14)	14	-	-
Net income/(expenditure) for the year		20	-	67	87	4,916
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	17,26	-	8	-	8	(41)
Net movement in funds		20	8	67	95	4,875
Reconciliation of funds						
Funds brought forward to 1 September 2012	17	141	(39)	4,773	4,875	-
Funds carried forward at 31 August 2013		161	(31)	4,840	4,970	4,875

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

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities

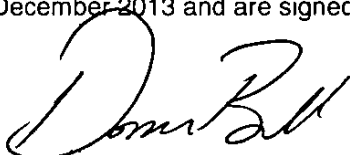
LACEY GREEN PRIMARY ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Tangible assets	14		4,840		4,773
Current assets					
Debtors	15	51		29	
Cash at bank and in hand		254		253	
		<u>305</u>		<u>282</u>	
Creditors. Amounts falling due within 1 year	16	<u>77</u>		<u>85</u>	
Net current assets			<u>228</u>		<u>197</u>
Total assets less current liabilities			5,068		4,970
Net assets including pension liability					
Pension scheme liability	26		(98)		(95)
Net assets including pension liability			<u>4,970</u>		<u>4,875</u>
Funds of the academy.					
Restricted funds					
Fixed asset fund(s)	17		4,840		4,773
General fund(s)	17		67		56
Pension reserve	17		(98)		(95)
Total restricted funds			<u>4,809</u>		<u>4,734</u>
Unrestricted funds	17		161		141
Total funds			<u>4,970</u>		<u>4,875</u>

The financial statements on pages 17 to 35 were approved by the trustees, and authorised for issue on 4 December 2013 and are signed on their behalf by



D Budd
Chair of trustees

Company limited by guarantee, registration number 07710870

LACEY GREEN PRIMARY ACADEMY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £000	2012 £000
Net cash inflow from operating activities	20	14	262
Returns on investments and servicing of finance	21	1	-
Capital expenditure	22	(14)	(9)
(Decrease)/Increase in cash in the year	23	<u>1</u>	<u>253</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		253	-
Net funds at 31 August 2013		<u>254</u>	<u>253</u>

LACEY GREEN PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention except for assets transferred at valuation 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 Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

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

Incoming resources

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

Grants receivable

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

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

Donations

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

Other income

Other income, 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 are recognised at an estimate of their gross value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy's policies.

LACEY GREEN PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

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.

Costs of generating funds

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

Charitable activities

These are costs incurred on the academy's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £1,000 or more whether an individual item or part of a capital project are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful lives, as follows:

Leasehold land	nil
Leasehold buildings	50 years
Furniture and equipment	8 years
ICT equipment	3 years

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.

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies (*continued*)

Leased assets

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

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.

Pensions benefits

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 26, 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.

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 trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2013. The academy changed its funding agreement by deed of variation dated 15 January 2013.

3 Voluntary income

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
Other donations	13	-	-	5
	13	-	-	5

4 Activities for generating funds

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
Trips and visits	27	-	-	21
Sales and charges	20	-	-	34
Lettings	8	-	-	5
Catering income	52	-	-	38
	107	-	-	98

5 Investment income

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
Short term deposits	1	-	-	-
	1	-	-	-

6 Funding for academy's educational operations

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
DfE/EFA revenue grants				
General Annual Grant (GAG) (note 2)	-	1,026	-	936
Start up grants	-	-	-	25
Capital grants	-	7	90	10
Other DfE/EFA grants	-	33	-	19
	-	1,066	90	990
Other government grants				
Local authority grants	-	61	-	64
	-	1,127	90	1,054

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

7 Resources expended

	Non pay expenditure				
	Staff costs	Premises	Other costs	Total	Total
	£000	£000	£000	2013	2012
				£000	£000
Costs of activities for generating funds	-	-	101	101	64
Academy's educational operations					
Direct costs	689	33	176	898	747
Allocated support costs	102	34	111	247	312
	<u>791</u>	<u>67</u>	<u>388</u>	<u>1,246</u>	<u>1,123</u>
Governance costs including allocated support costs	-	-	5	5	21
	<u>791</u>	<u>67</u>	<u>393</u>	<u>1,251</u>	<u>1,144</u>

The method used for the apportionment of support costs is disclosed in the accounting policies

Incoming/outgoing resources for the year include:

	2013	2012
	£000	£000
Operating leases	1	2
Fees payable to auditor		
Audit	5	5
Depreciation	<u>37</u>	<u>24</u>

8 Costs for generating income

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
School activities	34	-	-	19
Catering and vending costs	67	-	-	45
	<u>101</u>	<u>-</u>	<u>-</u>	<u>64</u>

9 Charitable activities - academy's educational operations

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
Direct costs				
Teaching and educational support staff costs	-	689	-	608
Depreciation	-	-	33	23
Educational supplies	-	122	-	79
Staff development	-	1	-	1
Educational consultancy	-	53	-	36
Other direct costs	-	-	-	-
	<u>-</u>	<u>865</u>	<u>33</u>	<u>747</u>

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

9 Charitable activities - academy's educational operations (continued)

	Unrestricted funds 2013 £000	General restricted funds 2013 £000	Fixed asset restricted funds 2013 £000	Total 2012 £000
Allocated support costs				
Support staff costs	-	102	-	87
Pension costs	-	11	-	-
Depreciation	-	-	4	1
Maintenance of premises and equipment	-	51	-	82
Cleaning	-	3	-	5
Rent & rates	-	13	-	14
Energy costs	-	17	-	18
Insurance	-	17	-	14
Transport	-	2	-	-
Other support costs	-	27	-	37
	-	243	4	258
	-	1,108	37	1,005

10 Governance costs

	Unrestricted funds 2013 £000	General restricted funds 2013 £000	Fixed asset restricted funds 2013 £000	Total 2012 £000
Auditor's remuneration	-	-	-	13
Conversion costs	-	-	-	3
Pension fund valuation	-	-	-	5
Audit of financial statements	-	5	-	21
	-	5	-	21

11 Staff costs

	2013 £000	2012 £000
Staff costs during the period were		
Wages and salaries	649	574
Social security costs	46	41
Pension costs	94	80
	789	695
Supply teacher costs included within the payroll	2	-
	791	695

Supply staff agency costs were £278

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

11 Staff costs (continued)

The average number of persons (including senior management team) employed by the academy during the year, and the full time equivalents, was as follows

	2013 Number	2013 Full-time equivalent	2012 Number	2012 Full-time equivalent
Charitable activities				
Teachers	10	6	8	4
Administration and support	17	13	17	13
Management	4	4	4	4
	<u>31</u>	<u>23</u>	<u>29</u>	<u>21</u>

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

	2013 Number	2012 Number
£70,001 - £80,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2013, pension contributions for this member of staff amounted to £10,575 (2012 £10,362)

12 Related party transactions - trustees' remuneration and expenses

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

L Dooley (principal and trustee)	£70,001	-£75,000 (2012 £75,001 - £80,000)
C Jones (staff trustee)	£50,001	-£55,000 (2012 £50,001 -£55,000)
S Shaw (staff trustee)	£40,001	-£45,000 (2012 £40,001 -£45,000)

During the years ended 31 August 2013 and 2012, no travel and subsistence expenses were reimbursed to trustees. Related party transactions involving the trustees are set out in note 27

13 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

14 Tangible fixed assets

	Leasehold land & buildings £000	Furniture & equipment £000	Computer equipment £000	Total £000
Cost				
At 1 September 2012	4,749	18	30	4,797
Additions	-	104	-	104
At 31 August 2013	4,749	122	30	4,901
Depreciation				
At 1 September 2012	-	6	18	24
Charged in year	21	6	10	37
At 31 August 2013	21	12	28	61
Net book values				
At 31 August 2013	4,728	110	2	4,840
At 31 August 2012	4,749	12	12	4,773

15 Debtors

	2013 £000	2012 £000
VAT recoverable	29	19
Prepayments and accrued income	22	10
	51	29

16 Creditors amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	14	6
Taxation and social security	26	23
Accruals and deferred income	37	56
	77	85

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

17 Funds

	Balance at 1.9.12 £000	Incoming resources £000	Resources expended £000	Gains, losses & transfers £000	Balance at 31.8.13 £000
Restricted general funds					
General Annual Grant (GAG)	55	1,026	(1,008)	(6)	67
Other DfE/EFA grants	-	33	(33)	-	-
Devolved Formula Capital	1	7	-	(8)	-
Local authority grants	-	61	(61)	-	-
	56	1,127	(1,102)	(14)	67
Pension reserve	(95)		(11)	8	(98)
	(39)	1,127	(1,113)	(6)	(31)
Restricted fixed asset funds					
DfE/EFA capital grants	-	90	(3)	8	95
Inherited on conversion	4,764	-	(31)	-	4,733
Capital expenditure from GAG	9	-	(3)	6	12
	4,773	90	(37)	14	4,840
Total restricted funds	4,734	1,217	(1,150)	8	4,809
Unrestricted funds	141	121	(101)	-	161
Total funds	4,875	1,338	(1,251)	8	4,970

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy

Unrestricted funds are funds which the board of trustees may use in the pursuance of the academy's objects and are expendable at the discretion of the trustees

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

18 Analysis of net assets between funds

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	-	-	4,840	4,840
Current assets	161	144	-	305
Current liabilities	-	(77)	-	(77)
Pension scheme liability	-	(98)	-	(98)
Total net assets	161	(31)	4,840	4,970

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

19 Financial commitments

Operating leases

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows

	2013 £000	2012 £000
Land and buildings		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	-	-
Other		
Expiring within one year	1	-
Expiring within two and five years inclusive	-	2
Expiring in over five years	-	-
	1	2

20 Reconciliation of net income to net cash inflow from operating activities

	2013 £000	2012 £000
Net income	87	4,916
Depreciation (note 14)	37	24
Capital donations	-	(4,788)
Capital grants from DfE/EFA and other capital income	(90)	-
Interest receivable (note 5)	(1)	-
FRS 17 pension cost less contributions payable (note 26)	11	-
Transfer of pension fund deficit	-	54
(Increase)/decrease in debtors	(22)	(29)
(Decrease)/increase in creditors	(8)	85
Net cash inflow from operating activities	14	262

21 Returns on investments and servicing of finance

	2013 £000	2012 £000
Interest received	1	-
Net cash inflow from returns on investment and servicing of finance	1	-

22 Capital expenditure and financial investment

	2013 £000	2012 £000
Purchase of tangible fixed assets	(104)	(4,797)
Donations	-	4,788
Capital grants from DfE/EFA	90	-
Net cash outflow from capital expenditure and financial investment	(14)	(9)

23 Analysis of changes in net funds

	At 1.09.12 £000	Cash flows £000	At 31.8.13 £000
Cash in hand and at bank	253	1	254

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2013

24 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education 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

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

25 Members' liability

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

26 Pension and similar obligations

The academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester 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 was 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £11,961 (2012 £9,622) were payable to the schemes at 31 August and are included within creditors

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership

Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament 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 under arrangements governed by the above Act

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

26 Pension and similar obligations (continued)

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

Valuation of the Teachers' Pension Scheme

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

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

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just outside of the 10 year protection.

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

26 Pension and similar obligations (continued)

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

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 2013 was £43,000, of which employer's contributions totalled £33,000 and employees' contributions totalled £10,000. The agreed contribution rates for future years are unconfirmed.

Principal actuarial assumptions

	At	At
	31.8.13	31.8.12
Rate of increase in salaries	5.10%	4.50%
Rate of increase for pensions in payment / inflation	2.80%	2.20%
Discount rate for scheme liabilities	4.60%	4.10%
Inflation assumption (CPI)	2.90%	2.90%

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

Change in assumptions at 31 August 2013	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	16%	55
1 year increase in member life expectancy	3%	10
0.5% increase in the salary increase rate	9%	32
0.5% increase in the pension increase rate	6%	21

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

	At	At
	31.8.13	31.8.12
Retiring today		
Males	22.9	22.9
Females	25.7	25.7
Retiring in 20 years		
Males	24.9	24.9
Females	27.7	27.7

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

26 Pension and similar obligations (continued)

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

	Expected return at 31.8.13	Fair value at 31.8.13 £000	Expected return at 31.8.12	Fair value at 31.8.12 £000
Equities	6.60%	189	5.50%	128
Bonds	3.50%	33	2.80%	27
Property	4.70%	15	3.70%	11
Cash	3.60%	15	2.80%	14
Total market value of assets		<u>252</u>		<u>180</u>
Present value of scheme liabilities				
- Funded		<u>(350)</u>		<u>(275)</u>
Surplus/(deficit) in the scheme		<u>(98)</u>		<u>(95)</u>

The rates of return have been determined using the Hymans Robertson Asset Model which is a type of model known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model. The expected returns have been calculated using 5,000 simulations of the Hymans Robertson Asset Model, calibrated using market data as at a recent date.

The actual return on scheme assets was £28,000 (2012: £14,000)

Amounts recognised in the statement of financial activities

	2013 £000	2012 £000
Current service cost (net of employee contributions)	42	25
Past service cost	-	-
Total operating charge	<u>42</u>	<u>25</u>

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	10	8
Interest on pension liabilities	<u>(12)</u>	<u>(11)</u>
Pension finance income / (costs)	<u>(2)</u>	<u>(3)</u>

The actual 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 £31,000 loss (2012: £39,000 loss).

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

26 Pension and similar obligations (continued)

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

	2013	2012
	£000	£000
At 1 September		
Current service cost	42	25
Past service cost	-	-
Interest cost	12	11
Employee contributions	10	8
Actuarial (gain)/loss	11	45
Curtailments and settlements	-	-
Benefits paid	-	-
At 31 August	75	89

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

	2013	2012
	£000	£000
At 1 September		
Expected return on assets	10	8
Actuarial gain/(loss)	19	6
Employer contributions	33	26
Employee contributions	10	8
Assets distributed on settlements	-	-
Transfer in of new members	-	-
Benefits paid	-	-
At 31 August	72	48

The estimated value of employer contributions for the year ended 31 August 2014 is £35,000

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

	2013	2012
	£000	£000
Present value of defined benefit obligations	(350)	(275)
Fair value of share of scheme assets	252	180
Surplus/(Deficit) in the scheme	(98)	(95)
Experience adjustments on share of scheme assets	19	6
Experience adjustments on scheme liabilities	-	-

Parliament has agreed, at the request of the Secretary of State for Education, to 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

LACEY GREEN PRIMARY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

27 Related party transactions

Trustees who are also members of staff of the academy have been paid in accordance with national agreed levels as members of staff. There have been no other transactions with related parties that require reporting under FRS8.

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