

REGISTERED COMPANY NUMBER: 7806338 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2013
FOR
LICKHILL PRIMARY SCHOOL ACADEMY**

Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

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COMPANIES HOUSE

LICKHILL PRIMARY SCHOOL ACADEMY
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FOR THE YEAR ENDED 31 AUGUST 2013

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LICKHILL PRIMARY SCHOOL ACADEMY
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2013

TRUSTEES

A McKay FCCA
J Lloyd (appointed 1/9/2012)
L Payton
R Pierpoint (appointed 1/9/2012) (resigned 31/8/2013)
S Davy (resigned 30/10/2012)
Z Davies (resigned 1/2/2013)
J Caldwell (resigned 17/9/2012)
H R Davies
B Bevan (appointed 26/2/2013)
A Bhardwaj
C Howen (appointed 26/2/2013)
M Humphries (appointed 26/2/2013)
A Jones (appointed 1/9/2012)

SENIOR MANAGEMENT TEAM

H R Davies - Headteacher - Accounting Officer
J Lloyd - Deputy Head
K Lewis - Teacher with TLR
R Pierpoint - Deputy Head (resigned 31/08/2013)

REGISTERED OFFICE

Almond Way
Stourport on Severn
Worcestershire
DY13 8UA

REGISTERED COMPANY NUMBER

7806338 (England and Wales)

AUDITORS

Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

SOLICITORS

Stone King
16 St John's Lane
London
EC1M 4BS

BANKERS

Lloyds Bank Plc
1 Vicar Street
Kidderminster
DY10 1DH

LICKHILL PRIMARY SCHOOL ACADEMY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2013

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

The governors act as trustees for the charitable activities of Lickhill Primary School Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Lickhill Primary School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administration Details on page 1.

Members' liability

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

Principal activities

The Academy's principal activity is the provision of primary education, nursery and pre and post school care.

Recruitment and appointment of new trustees

Trustees are recruited from the employees of the Academy, parents (by election) and community governors.

Induction and training of new trustees

The Academy carries out the appropriate training for new trustees.

Organisational structure

The management structure of the Academy consists of the trustees and the Leadership Team.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by use of budgets and making major decisions about the strategic direction of the Academy, capital expenditure and the most senior staff appointments.

The Leadership Team is led by the Headteacher, H R Davies. These senior leaders manage the Academy at an executive level, implementing the policies agreed by the trustees and reporting back to them on progress. The Headteacher and other key senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Related parties

Please refer to note 21 with respect to related party transaction. The Academy is not part of a wider network and does not have any relationships with any other charities.

Risk management

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities and other operating areas of the Academy, its finances. Appropriate systems, policies, procedures and controls have been put in place so as to ensure that the various risks do not impact adversely on the Academy's operations. Appropriate insurances are in place.

LICKHILL PRIMARY SCHOOL ACADEMY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2013

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the Charitable Company is the operation of the Lickhill Primary School to provide education for pupils of different abilities up to the age of 11

The principal objectives of the Academy are

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all pupils
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To comply with the appropriate statutory and curriculum requirements
- To make the Academy a valued community resource

Public benefit

In setting our objectives the trustees have given careful consideration to the Charity Commissions guidance on public benefit

The primary purpose of the Academy is the advancement of education within the local area

The academy runs an extended day, offering a safe place for pupils while parents are working. The Academy operates both pre and post school care and an onsite nursery

The Academy has given a high priority to providing public benefit to a cross section of the community regardless of family background, but perhaps the greatest benefit the Academy can offer is the provision of an education that maximises each student's potential

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Lickhill Primary School was subject to Ofsted Inspection 7/8 February 2013 and was judged to be outstanding across every aspect

The Governors are very pleased with Pupil achievement, especially by the end of Key Stage Two. The following results form part of the review of the achievement review

- The 2013 Year 6 pupils were 0.5 National Curriculum Points above the national average in their Key Stage 1 results. By the end of KS2 this gap had extended to 1.4 points above the national average across all subjects
- Attainment in the English, Grammar, Punctuation and Spelling test was significantly higher than the national average (2.4) above
- Value added scores in mathematics is significantly higher (sig +) than national averages (101.2) and has been significantly higher for three years
- 32% of pupils made at least 3 levels progress in reading
- 18% of pupils made at least 3 levels progress in writing
- 45% of pupils made at least 3 levels progress in mathematics and 9% made 4 levels progress from level 2 to 6
- All pupils made at least 2 levels progress in reading and mathematics
- 91% of pupils made at least 2 levels progress in writing

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 financial performance indicators

The trustees review regular assessments of the performance of the Academy. The trustees review exam results as a key performance of the Academy's continuing success, but they also review the improvements of each year group and individuals to ensure that the Academy's teaching activities are effective and there is continuing improvement at all levels

LICKHILL PRIMARY SCHOOL ACADEMY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2013

FINANCIAL REVIEW

Financial Review

The last 12 months has seen the school achieve a surplus, despite the need to repay a deficit, which was inherited by the current governing body and leadership team when the school was a maintained school. A number of improvements have been made to the school during this period including reroofing of the main school building.

Pupil numbers continue to increase and this will ultimately result in additional Grant income. The Governors are committed to reinvest back into the School, its facilities and resources. The school operates nursery and wrap around care, the surpluses from which are reinvested back into the School.

During the year the management team carried out a number of training and support activities with other schools which generated an income stream to reinvest back in the education activities. The School can see this activity continuing into 2014 and will be offering a more formal approach to this support and training through a separate training company.

During the year ended 31 August 2013, the surplus of income over expenditure for the year (before recognised gains and losses and excluding capital restricted funds) equated to £3,822 (2012 - deficit £56,288).

Reserves policy

The policy of the Governors is to maintain a level of reserves that will be adequate to provide a stable basis for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated.

Excluding the pension scheme liability and capital funds, the Academy funds carried forward as at 31 August 2013 are a surplus of £11,534 (2012- deficit £1,288). These figures include a deficit inherited from the LA funded school which has now been agreed at £40,966 (2012 - £42,133). This deficit is to be repaid over the next three years and can be repaid without any severe impact on the educational spending within the Academy.

The Academy also has a pension scheme deficit in respect of the local Government Pension Scheme of £67,000 (2012- £62,000). The liability is included in restricted reserves and the Academy will have to meet any long term liability out of restricted reserves. In order to repay the deficit employer contributions will remain at 13.5%. This is due for review in 2014. This deficit is considered a long term deficit and not an immediate liability.

The governors are happy that the Academy's progress has continued and are optimistic that they can increase the school reserves and eliminate deficits for the future.

Investment Policy

The Academy's policy is to invest surplus funds in low risk short term bank deposits.

Plans for the Future Periods

The Governors continue to promote the Academy within the local community.

The Governors have secured capital funding from the Academy Capital Maintenance Fund to enable three new classrooms and an extension of office accommodation. They continue to apply for capital funding to further improve the buildings and are just about to submit a bid for further extensions, which will improve the suitability and condition of the school.

Subsequent to the year end The Academy has formed a trading subsidiary, Lickhill Consultancy Limited, incorporated on 03 December 2013, to provide consultancy services to local schools.

Principal risks and uncertainties

The Academy has inherited a number of building related issues on the transfer of the School buildings. The Governors are continuing to apply for funding to improve the overall facilities within the Academy and the elimination of temporary classroom accommodation.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

LICKHILL PRIMARY SCHOOL ACADEMY

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2013**

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The majority of the income of the Academy is GAG Funding from the EFA to provide education. The Academy receives income from its Nursery and wrap around care facilities. The Academy helps to support other like-minded organisations through the secondment of staff and consultation and training activities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Worton Rock Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD



A Bhardwaj - Trustee

20 December 2013

LICKHILL PRIMARY SCHOOL ACADEMY

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Lickhill Primary School 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the Head, 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 Lickhill Primary School 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 Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Bhardwaj	8	8
H R Davies	8	8
J Lloyd	7	8
R Pierpoint	7	8
A McKay FCCA	6	8
A Jones	8	8
L Payton	3	8
S Davy	-	1
Z Davies	2	4
M Humphries	5	7

B Bevan (appointed 26/02/13) attended 4 out of a possible 4 meetings and C Howen (appointed 26/02/13) attended 3 out of a possible 4 meetings.

The main board of trustees is subdivided into specific committees:

Finance and General Purposes Committee - to oversee all financial aspects of the Academy

Curriculum Committee - to oversee the curriculum and educational standards and policies

People Committee - to monitor staff and relationships with parents and the community

These committees meet on a regular basis, with the finance committee meeting at least once a term to review the financial reports of the Academy.

The non-confidential minutes are published on the Academy's website detailing the topics discussed and the attendees at such meetings.

Attendance at the Finance and General Purposes Committee was as follows:

Trustee	Meetings attended	Out of a possible
A McKay (Chair)	6	7
A Bhardwaj	5	7
H R Davies	7	7
M Humphries (appointed 26/02/13)	3	3
R Pierpoint	4	7
L Payton	-	7
B Bevan (appointed 26/02/13)	2	3
C Howen (appointed 26/02/13)	1	3

LICKHILL PRIMARY SCHOOL ACADEMY

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company 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 Lickhill Primary School Academy for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees,
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Worton Rock Ltd, the external auditor, to perform additional checks, and to report to the Responsible Officer - M Humphries.

The RO's role includes giving advice on financial matters and reviewing a range of checks on the academy trust's financial systems performed by Worton Rock Ltd. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The external auditor has delivered to the RO their schedule of work as planned. The checks identified the following material control issues:

Autumn 2012 Term

- Monthly payroll printouts should be reviewed and authorised by the Head Teacher
- The appropriate quotation procedures should be followed for contracts over prescribed limits
- Controls over stay and play invoicing need to be introduced
- The integrity of the invoicing spreadsheet requires review
- Completeness checks should be introduced to ensure sales invoices are raised for all attendees
- Sales invoices should be reviewed by an independent individual on a monthly basis
- Bank reconciliations should be reviewed by an independent individual
- Control accounts should be reconciled on a regular basis and reviewed by an independent individual
- A work program should be introduced to document the procedures to be followed to prepare financial reports

Spring 2013 Term

- The appropriate quotation procedures should be followed for contracts over prescribed limits - 3 tenders are required for capital expenditure
- Controls over nursery parental contributions invoicing need to be introduced
- The invoicing spreadsheet should be authorised and reviewed

LICKHILL PRIMARY SCHOOL ACADEMY

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

The Risk and Control Framework

- Completeness checks should be introduced to ensure sales invoices are raised for all attendees
- Sales invoices should be reviewed by an independent individual on a monthly basis
- Control accounts should be reconciled on a regular basis and reviewed by an independent individual
- A work program should be introduced to document the procedures to be followed to prepare financial reports

Summer 2013 Term

- The appropriate quotation procedures should be followed for contracts over prescribed limits - 3 tenders are required for capital expenditure. Where tenders are not practical, capital expenditure should be approved by the Finance Committee and the amount documented
- Income for school trips should be reconciled to ensure all cash received is correctly identified and banked
- Subsidised places should be evidence as approved
- Control sheets should be prepared for all trips to ensure all income received is banked
- Control accounts should be reconciled on a regular basis and reviewed by an independent individual
- Bank accounts are reconciled on a monthly basis, however all balance sheet accounts should be reconciled and reviewed
- A work program should be introduced to document the procedures to be followed to prepare financial reports, (this programme has been drafted but has yet to be implemented)

Review of Effectiveness

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

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 20 December 2013 and signed on its behalf by



A Bhardwaj - Trustee



Helen Davies - Accounting Officer

LICKHILL PRIMARY SCHOOL ACADEMY

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2013**

As accounting officer of Lickhill Primary School Academy I have considered my responsibility to notify the charitable company board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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.



Helen Davies - Accounting Officer

20 December 2013

LICKHILL PRIMARY SCHOOL ACADEMY

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2013

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

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

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

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

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

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

ON BEHALF OF THE BOARD



A Bhardwaj - Trustee

20 December 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LICKHILL PRIMARY SCHOOL ACADEMY

We have audited the financial statements of Lickhill Primary School 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 (EFA).

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees 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 charitable company'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,
- have been prepared in accordance with the requirements of the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LICKHILL PRIMARY SCHOOL ACADEMY**

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, or
- the trustees were not entitled to take advantage of the small companies exemption in preparing the Report of the Trustees

D J Burrows

David Burrows (Senior Statutory Auditor)
for and on behalf of Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

20 December 2013

Note:

The maintenance and integrity of the Lickhill Primary School Academy website is the responsibility of the trustees, the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website

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

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lickhill Primary School Academy during the period 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 Lickhill Primary School Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lickhill Primary School Academy and those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lickhill Primary School Academy and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Lickhill Primary School Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lickhill Primary School Academy's funding agreement with the Secretary of State for Education dated 1 February 2012 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 period 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 matter that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion

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

The work undertaken to draw our conclusion includes

- Performed an evaluation of General (regularity of activities) including review of the outcome of the 2012 regularity assurance work
- EFA evaluation review undertaken including consideration of actions required and appropriate actions taken
- Confirmed appropriate departmental authority has been obtained with regard to delegated authorities (special payments)
- Reviewed the activities of the Academy Trust to ensure that they are in keeping with the Academy's framework and the Charitable objectives
- Confirmed approval has been obtained from Secretary of State with respect to borrowings
- Confirmed approval has been obtained from Secretary of State with respect to sale of assets
- Confirmed approval has been obtained from Secretary of State with respect to new leases
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Governing Body meetings for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LICKHILL PRIMARY SCHOOL ACADEMY AND THE EDUCATION FUNDING AGENCY**

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 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

Matter 1:

During the year Worton Rock Ltd was appointed to perform a review of the Academy Trust's financial controls and to report the findings to the Responsible Officer on a termly basis. We note that following a review of the Finance and General Purposes Committee minutes there is only one instance where the findings of the review were minuted as discussed.

Matter 2:

On 09 July 2013 the Academy acquired a new operating lease in respect of a photocopier with an expiry date of 09 July 2018. Secretary of State approval is required for any lease (including operating leases) greater than three years duration. In this instance Secretary of State approval was not obtained. We understand that, for future periods, the rules have been amended such that approval is not now required for any future operating leases.

Matter 3:

Expenditure individually in excess of £1,000 is required to have governing body approval, as set out in the Academy finance policy. In the sample of expenditure tested, it was found that governing body approval was not obtained for all items individually in excess of the limits set out in the Academy finance policy.

Worton Rock Limited

Worton Rock Limited
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

20 December 2013

LICKHILL PRIMARY SCHOOL ACADEMY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2013**

				Year ended 31/8/13	Period 12/10/11 to 31/8/12
	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	-	4,580	-	4,580
Voluntary income - Transfer from Local Authority on conversion		-	-	-	1,028,179
Activities for generating funds	3	136,399	38,927	-	175,326
Investment income	4	-	267	54	321
Incoming resources from charitable activities					
Academy's educational operations	5	-	658,612	329,237	987,849
Total incoming resources		136,399	702,386	329,291	1,168,076
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	7	113,146	-	-	113,146
Charitable activities					
Academy's educational operations	8	-	685,199	193,371	878,570
Governance costs	9	1,000	15,738	-	16,738
Total resources expended	6	114,146	700,937	193,371	1,008,454
NET INCOMING RESOURCES		22,253	1,449	135,920	159,622
Gross transfers between funds	19	-	(19,880)	19,880	-
Net incoming resources before other recognised gains and losses		22,253	(18,431)	155,800	159,622
Other recognised gains/losses					
Actuarial gains/losses on defined benefit schemes		-	4,000	-	4,000
Net movement in funds		22,253	(14,431)	155,800	163,622

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL ACADEMY

**STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2013**

				Year ended 31/8/13	Period 12/10/11 to 31/8/12
	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
RECONCILIATION OF FUNDS					
Total funds brought forward		14,949	(78,237)	1,108,337	1,045,049
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		37,202	(92,668)	1,264,137	1,208,671
		<hr/>	<hr/>	<hr/>	<hr/>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL ACADEMY

**BALANCE SHEET
AT 31 AUGUST 2013**

				2013	2012	
	Notes	Unrestricted fund £	Restrcted funds £	Restricted Fixed Asset Funds £	Total funds £	Total funds £
FIXED ASSETS						
Tangible assets	13	-	-	1,106,757	1,106,757	1,071,032
CURRENT ASSETS						
Stocks	14	-	4,000	-	4,000	-
Debtors	15	16,410	39,367	962	56,739	55,438
Cash at bank		21,347	38,140	223,255	282,742	106,799
		<u>37,757</u>	<u>81,507</u>	<u>224,217</u>	<u>343,481</u>	<u>162,237</u>
CREDITORS						
Amounts falling due within one year	16	(555)	(86,775)	(66,837)	(154,167)	(126,220)
		<u>37,202</u>	<u>(5,268)</u>	<u>157,380</u>	<u>189,314</u>	<u>36,017</u>
NET CURRENT ASSETS						
		<u>37,202</u>	<u>(5,268)</u>	<u>157,380</u>	<u>189,314</u>	<u>36,017</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		37,202	(5,268)	1,264,137	1,296,071	1,107,049
CREDITORS						
Amounts falling due after more than one year	17	-	(20,400)	-	(20,400)	-
PENSION LIABILITY	20	-	(67,000)	-	(67 000)	(62,000)
		<u>37,202</u>	<u>(92,668)</u>	<u>1,264,137</u>	<u>1,208,671</u>	<u>1,045,049</u>
NET ASSETS						
		<u>37,202</u>	<u>(92,668)</u>	<u>1,264,137</u>	<u>1,208,671</u>	<u>1,045,049</u>
FUNDS						
	19					
Unrestricted funds						
Unrestricted Funds					37,202	14,949
Restricted funds						
Restricted General Funds					(25,668)	(16,237)
Restricted fixed asset funds					1,264,137	1,108,337
Pension reserve					(67,000)	(62,000)
					<u>1,171,469</u>	<u>1,030,100</u>
TOTAL FUNDS						
					1,208,671	1,045,049

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL ACADEMY

**BALANCE SHEET - CONTINUED
AT 31 AUGUST 2013**

The financial statements were approved by the Board of Trustees on 20 December 2013 and were signed on its behalf by

A handwritten signature in black ink, appearing to read 'A Bhardwaj', with a small circle at the end of the stroke.

A Bhardwaj - Trustee

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL ACADEMY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

		Year ended 31/8/13 £	Period 12/10/11 to 31/8/12 £
Net cash (outflow)/inflow from operating activities	Notes 1	(70,862)	79,790
Cash transferred on conversion to an academy		-	50,205
Returns on investments and servicing of finance	2	321	59
Capital expenditure and financial investment	2	246,484	(23,255)
Increase in cash in the period		<u>175,943</u>	<u>106,799</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		<u>175,943</u>	<u>106,799</u>
Change in net debt resulting from cash flows		<u>175,943</u>	<u>106,799</u>
Movement in net debt in the period		<u>175,943</u>	<u>106,799</u>
Net debt at 1 September		<u>106,799</u>	-
Net debt at 31 August		<u>282,742</u>	<u>106,799</u>

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL ACADEMY

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	Year ended 31/8/13 £	Period 12/10/11 to 31/8/12 £
Net incoming resources	159,622	1,048,049
Depreciation charges	47,028	26,595
Capital grants from DfE/EFA	(329,237)	(5,766)
Transfer from Local Authority on conversion	-	(1,028,179)
Interest received	(321)	(59)
Increase in stocks	(4,000)	-
Increase in debtors	(1,301)	(48,937)
Increase in creditors	48,347	84,087
Difference between pension charge and cash contributions	9,000	4,000
Net cash (outflow)/inflow from operating activities	(70,862)	79,790

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year ended 31/8/13 £	Period 12/10/11 to 31/8/12 £
Returns on investments and servicing of finance		
Interest received	321	59
Net cash inflow for returns on investments and servicing of finance	321	59
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(82,753)	(29,021)
Capital grants from DfE/EFA	329,237	5,766
Net cash inflow/(outflow) for capital expenditure and financial investment	246,484	(23,255)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/12 £	Cash flow £	At 31/8/13 £
Net cash			
Cash at bank	106,799	175,943	282,742
Total	106,799	175,943	282,742

LICKHILL PRIMARY SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice Accounting and Reporting by Charities and the Academies Accounts Directions issued by the EFA

Going concern

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

The trustees believe that it is appropriate to prepare the financial statements on going concern basis because of the following factors:

- £67,000 of the Academy's liabilities relate to the long term liability in respect of the Lickhill Primary School Academy Pension Scheme which should not need to be repaid in the short to medium term,
- the Academy has net current assets of £189,314, equivalent to its working capital which enables the payment of debts as they fall due, and
- the Department for Education has committed to funding the Academy in 2013/14

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.

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Donations

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

Other income

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

LICKHILL PRIMARY SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES - continued

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy are recognised at their open market 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.

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 method of accounting.

The assets and liabilities transferred on conversion from Lickhill Primary School to an academy have been valued at fair value being a reasonable estimate of 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 Lickhill Primary School Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income (net income/net expenditure) in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The Academy's land and buildings were included within the accounts on conversion on the basis of the valuation commissioned by the EFA. The house on the Academy property was also included on conversion at open market value based on a professional valuation.

Resources expended

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

Cost of generating funds

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

Charitable activities

These are costs incurred on the Academy'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 Governor's meetings and reimbursed expenses.

LICKHILL PRIMARY SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

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

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

Freehold buildings	5 years/25 years
Furniture and equipment	5 years
Computer equipment	5 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.

Stocks

Stock represents unused classroom resources and are valued at the lower of cost and net realisable value.

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.

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 the EFA/Department for Education 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 EFA/Department for Education.

LICKHILL PRIMARY SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Leased assets

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

2. VOLUNTARY INCOME

	Year ended 31/8/13 £	Period 12/10/11 to 31/8/12 £
Donations	4,580	616

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Hire of facilities	-	28,901	28,901	6,200
Income from Wrap around care	104,467	-	104,467	52,978
Miscellaneous income	31,932	10,026	41,958	18,719
	<u>136,399</u>	<u>38,927</u>	<u>175,326</u>	<u>77,897</u>

LICKHILL PRIMARY SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2013**

4. INVESTMENT INCOME

	Restricted funds	Restricted fixed asset funds	Total 2013	Total 2012
	£	£	£	£
Short term deposits	267	54	321	59
	<u>267</u>	<u>54</u>	<u>321</u>	<u>59</u>

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

			Year ended 31/8/13 Total funds £	Period 12/10/11 to 31/8/12 Total funds £
	Unrestricted funds £	Restricted funds £		
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	616,156	616,156	366,801
Other DfE/EFA grants	-	42,456	42,456	22,959
	<u>-</u>	<u>658,612</u>	<u>658,612</u>	<u>389,760</u>
DfE/EFA capital grant				
Academy main buildings grants	-	323,493	323,493	-
Other DfE/EFA grants	-	5,744	5,744	5,766
	<u>-</u>	<u>329,237</u>	<u>329,237</u>	<u>5,766</u>
	<u>-</u>	<u>987,849</u>	<u>987,849</u>	<u>395,526</u>

6. RESOURCES EXPENDED

LICKHILL PRIMARY SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2013**

6. RESOURCES EXPENDED - continued

				Year ended 31/08/13	12/10/11 to 31/08/12
	Staff costs £	Non - pay Premises £	expenditure Other costs £	Total £	Total £
Costs of generating funds					
Costs of generating voluntary income	72,040	29,218	11,888	113,146	53,273
Charitable activities					
Academy's educational operations					
Direct costs	513,116	40,192	38,830	592,138	326,616
Allocated support costs	68,477	174,885	43,070	286,432	62,643
	<u>653,633</u>	<u>244,295</u>	<u>93,788</u>	<u>991,716</u>	<u>442,532</u>
Governance costs					
including allocated support costs	-	-	16,738	16,738	11,696
	<u>653,633</u>	<u>244,295</u>	<u>110,526</u>	<u>1,008,454</u>	<u>454,228</u>

Net resources are stated after charging/(crediting)

	Year ended 31/08/13 £	Period 12/10/11 to 31/08/12 £
Auditors' remuneration	8,000	5,500
Auditors' remuneration for non - audit work	3,225	-
Depreciation - owned assets	47,028	26,595
Operating leases	1,149	574
	<u>59,402</u>	<u>32,669</u>

LICKHILL PRIMARY SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2013**

7. COSTS OF GENERATING VOLUNTARY INCOME

	Year ended 31/8/13 £	Period 12/10/11 to 31/8/12 £
Staff costs	72,040	45,134
Educational supplies	567	338
Staff development	123	25
Educational consultancy	500	-
Other direct costs	10,698	1,452
Support costs	29,218	6,324
	<u>113,146</u>	<u>53,273</u>

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

	Unrestricted funds £	Restricted funds £	Year ended 31/8/13 Total funds £	Period 12/10/11 to 31/8/12 Total funds £
Direct costs				
Teaching and educational support staff	-	513,116	513,116	283,127
Depreciation	-	42,782	42,782	24,119
Educational supplies	-	9,707	9,707	12,871
Staff development	-	6,868	6,868	957
Educational consultancy	-	2,000	2,000	1,115
Other direct costs	-	17,665	17,665	4,427
	-	<u>592,138</u>	<u>592,138</u>	<u>326,616</u>
Allocated support costs				
Support staff costs	-	68,477	68,477	32,038
Depreciation	-	4,246	4,246	2,476
Recruitment and support	-	7,677	7,677	2,135
Maintenance of premises and equipment	-	166,769	166,769	6,055
Cleaning	-	3,367	3,367	1,298
Rent and rates	-	1,661	1,661	2,372
Insurance	-	3,125	3,125	2,008
Other support costs	-	31,110	31,110	14,261
	-	<u>286,432</u>	<u>286,432</u>	<u>62,643</u>
	-	<u>878,570</u>	<u>878,570</u>	<u>389,259</u>

LICKHILL PRIMARY SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2013

9. GOVERNANCE COSTS

	Year ended 31/8/13 £	Period 12/10/11 to 31/8/12 £
Auditors' remuneration	8,000	5,500
Auditors' remuneration for non-audit work	3,225	-
Legal and professional	13	4,196
Consultancy	1,850	-
Pension fees	1,650	-
Interest payable and similar charges	2,000	2,000
	<u>16,738</u>	<u>11,696</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

The Head and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head 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

H Davies(head and trustee)	£80,000 - £85,000 (2012 £70,000 - £75,000)
J Lloyd (staff trustee)	£50,000 - £55,000 (appointed 1st September 2012)
R Pierpoint (staff trustee)	£50,000 - £55,000 (appointed 1st September 2012)
A Jones (staff trustee)	£35,000 - £40,000 (appointed 1st September 2012)

Other related party transactions involving the trustees are set out in note 21

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2013 nor for the period ended 31 August 2012

LICKHILL PRIMARY SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2013**

11. STAFF COSTS

	Year ended 31/8/13 £	Period 12/10/11 to 31/8/12 £
Wages and salaries	520,656	297,261
Social security costs	34,873	19,933
Other pension costs	72,420	40,013
	<u>627,949</u>	<u>357,207</u>
Supply teacher costs	25,684	3,092
	<u>653,633</u>	<u>360,299</u>

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

	Year ended 31/8/13	Period 12/10/11 to 31/8/12
Teachers	8	9
Administration and support	24	18
Management	1	1
	<u>33</u>	<u>28</u>

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

	Year ended 31/8/13	Period 12/10/11 to 31/8/12
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31st August 2013, pension contributions for this member of staff amounted to £10,410 (2012- £4,919)

12. 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 £3,000,000 on any one claim and the cost for the year ended 31st August 2013 is incorporated within the total insurance premium.

LICKHILL PRIMARY SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2013**

13 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2012	1,087,271	7,798	2,558	1,097,627
Additions	65,874	12,494	4,385	82,753
At 31 August 2013	<u>1,153,145</u>	<u>20,292</u>	<u>6,943</u>	<u>1,180,380</u>
DEPRECIATION				
At 1 September 2012	25,387	910	298	26,595
Charge for year	43,490	2,590	948	47,028
At 31 August 2013	<u>68,877</u>	<u>3,500</u>	<u>1,246</u>	<u>73,623</u>
NET BOOK VALUE				
At 31 August 2013	<u>1,084,268</u>	<u>16,792</u>	<u>5,697</u>	<u>1,106,757</u>
At 31 August 2012	<u>1,061,884</u>	<u>6,888</u>	<u>2,260</u>	<u>1,071,032</u>

14. STOCKS

	2013 £	2012 £
Stocks	<u>4,000</u>	<u>-</u>

15. DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	17,501	10,236
Other debtors	19,177	15,236
Prepayments	20,061	29,966
	<u>56,739</u>	<u>55,438</u>

16. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	31,291	45,439
Social security and other taxes	10,827	9,734
Other creditors	35,407	50,527
Accrued expenses	76,642	20,520
	<u>154,167</u>	<u>126,220</u>

LICKHILL PRIMARY SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2013**

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Other creditors	<u>20,400</u>	<u>-</u>

18. OPERATING LEASE COMMITMENTS

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

	Other operating leases 2013 £	2012 £
Expiring Between one and five years	<u>2,900</u>	<u>1,150</u>

19. MOVEMENT IN FUNDS

	At 1/9/12 £	Net movement in funds £	Transfers between funds £	At 31/8/13 £
Unrestricted funds				
Unrestricted Funds	14,949	22,253	-	37,202
Restricted funds				
Restricted General Funds	(16,237)	10,449	(19,880)	(25,668)
Restricted fixed asset funds	1,108,337	135,920	19,880	1,264,137
Pension reserve	(62,000)	(5,000)	-	(67,000)
	<u>1,030,100</u>	<u>141,369</u>	<u>-</u>	<u>1,171,469</u>
TOTAL FUNDS	<u>1,045,049</u>	<u>163,622</u>	<u>-</u>	<u>1,208,671</u>

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Funds	136,399	(114,146)	-	22,253
Restricted funds				
Restricted General Funds	702,386	(691,937)	-	10,449
Restricted fixed asset funds	329,291	(193,371)	-	135,920
Pension reserve	-	(9,000)	4,000	(5,000)
	<u>1,031,677</u>	<u>(894,308)</u>	<u>4,000</u>	<u>141,369</u>
TOTAL FUNDS	<u>1,168,076</u>	<u>(1,008,454)</u>	<u>4,000</u>	<u>163,622</u>

LICKHILL PRIMARY SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2013**

19. MOVEMENT IN FUNDS - continued

Restricted funds

Restricted general fund

This fund is GAG related and is restricted to the purpose for which it is received

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

Pension Reserve

The pension reserve forms part of the restricted general fund and relates to the Academy Trust's share of the deficit of the Worcestershire County Council Local Government Pension Fund

Fixed Asset Fund

These grants relate to funding received from the EFA to carry out works of a capital nature

20. 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 Mercer 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 £9,125 (2012 £8,393) were payable to the schemes at 31 August and are included within creditors

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2013

20. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). 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.

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

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2013

20. PENSION AND SIMILAR OBLIGATIONS - continued

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.

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 academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contributions made for the year ended 31 August 2013 were £30,603 (2012 £14,043), of which employer's contributions totalled £21,466 (2012 £9,849) and employees' contributions totalled £9,137 (2012 £4,194). The current agreed contribution rates for future years are 13.5% for employers and between 5.5% and 5.9% for employees. However the contribution rates are currently being reviewed as part of the triennial valuation with revised rates expected from 1st April 2014.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2013	2012
	£	£
Present value of funded obligations	(117,000)	(76,000)
Fair value of plan assets	50,000	14,000
	<u>(67,000)</u>	<u>(62,000)</u>
Deficit	<u>(67,000)</u>	<u>(62,000)</u>
Liability	<u><u>(67,000)</u></u>	<u><u>(62,000)</u></u>

LICKHILL PRIMARY SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2013**

20. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the statement of financial activities are as follows

	Defined benefit pension plans	
	2013	2012
	£	£
Current service cost	28,000	12,000
Interest cost	4,000	2,000
Expected return	(2,000)	-
	<u>30,000</u>	<u>14,000</u>
Actual return on plan assets	<u>5,000</u>	<u>-</u>

Net (loss) gain recognised in the Statement of Total Recognised Gains and Losses (STGRL)

	2013	2012
	£	£
Actuarial gains/(losses) on pension scheme assets	4,000	-
Actuarial gains/(losses) on scheme liabilities	-	(3,000)
Total amount recognised in STRGL	<u>4,000</u>	<u>(3,000)</u>

Changes in the present value of the defined benefit obligations are as follows

	Defined benefit pension plans	
	2013	2012
	£	£
Defined benefit obligation	(76,000)	-
Current service cost	(28,000)	(12,000)
Contributions by scheme participants	(9,000)	(4,000)
Interest cost	(4,000)	(2,000)
Actuarial losses/(gains)	-	(3,000)
Business combinations	-	(55,000)
	<u>(117,000)</u>	<u>(76,000)</u>

Changes in the fair value of scheme assets are as follows

	Defined benefit pension plans	
	2013	2012
	£	£
Fair value of scheme assets	14,000	-
Contributions by employer	21,000	10,000
Contributions by scheme participants	9,000	4,000
Expected return	2,000	-
Actuarial gains/(losses)	4,000	-
	<u>50,000</u>	<u>14,000</u>

LICKHILL PRIMARY SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2013**

20. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows

	Defined benefit pension plans	
	2013	2012
	£	£
Equities	45,000	13,000
Other Bonds	3,000	1,000
Cash	2,000	-
	<hr/>	<hr/>
	50,000	14,000
	<hr/>	<hr/>

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

	2013	2012
Rate of increase in salaries	4%	3.9%
Discount rate for scheme liabilities	4.8%	4.7%
Inflation assumption (CPI)	2.5%	2.4%
Commutation of pensions to lump sums	50%	50%
Rate of increase in pensions	2.5%	2.4%

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

At 31 August 2013

	2013	2012
Non-retired Members		
Males	98%	98%
Females	93%	93%
Retired Members		
Males	98%	98%
Females	93%	93%

Experience Adjustments

	2013	2012
	%	%
Experience adjustments on share of scheme assets:	8	-
Experience adjustments on scheme liabilities:	-	-

LICKHILL PRIMARY SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2013

20. PENSION AND SIMILAR OBLIGATIONS - continued

Amounts for the current and previous period are as follows

	2013	2012
		as restated
	£	£
Defined benefit pension plans		
Defined benefit obligation	(117,000)	(76,000)
Fair value of scheme assets	50,000	14,000
Deficit	(67,000)	(62,000)

21. RELATED PARTY DISCLOSURES

During the year the academy paid a salary of £945 to Z Bevan, wife of trustee B Bevan, in respect of her employment in the school office

22. POST BALANCE SHEET EVENTS

During the year the Governors have secured capital funding from the Academy Capital Maintenance Fund to enable three new classrooms and an extension of office accommodation. On 13 September 2013 the Academy entered into a contract with Leon Building Services (Evesham) Limited to provide the building work.

Subsequent to the year end the Academy formed a trading subsidiary, Lickhill Consultancy Limited, incorporated on 03 December 2013, to provide consultancy services to local schools.