

VICTORIA ACADEMIES TRUST

(Company limited by guarantee)

ANNUAL REPORT AND FINACIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2014

Company Registration No: 07887796

(England and Wales)

VICTORIA ACADEMIES TRUST
(Company limited by guarantee)

CONTENTS

| | Page |
|--|------|
| Reference and Administrative Information | 3 |
| Trustees' Report | 5 |
| Governance Statement | 11 |
| Statement on Regularity, Propriety and Compliance | 14 |
| Statement of Governor's Responsibilities | 15 |
| Independent Auditor's Report | 16 |
| Independent Reporting Accountants Report on Regularity | 18 |
| Statement of Financial Activities | 20 |
| Balance Sheet | 21 |
| Cash Flow Statement | 22 |
| Notes to the Financial Statements | 23 |

VICTORIA ACADEMIES TRUST

(Company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Governors/Trustees:

A Morrish (Headteacher)
L Richardson (Chairperson)
A Batham
K Fowler
M Wynne
RJ Wallace
R Jalil
B Cohen
N Johal
NL Dunne
RO Adigun
W Dawkins
L Worgan
T Akram
GJ Singh (Appointed 10/12/14)

Company Secretary:

PA Perla

Senior Leadership Team:

- Head Teacher
- Deputy Head Teacher
- Assistant Head Teacher
- Assistant Head Teacher
- Assistant Head Teacher

A Morrish
K Fowler
H Mapp
A Dhesi
M Wynne

Registered Office:

Ballot Street
Smethwick
West Midlands
B66 3HH

Company Registration Number:

07887796

VICTORIA ACADEMIES TRUST

(Company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditors:

Wright & Co
Chartered Accountants
Registered Auditors
The Squires
5 Walsall Street
Wednesbury
WS10 9BZ

Bankers:

Lloyds Bank
63 High Street
Dudley
West Midlands
DY1 1PY

Solicitors:

Anthony Collins Solicitors
134 Edmund Street
Birmingham
West Midlands
B3 2ES

Victoria Academies Trust Trustees' Report for the Year Ended 31 August 2014

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014.

This Annual Report & Financial Statement covers the following:

Victoria Park Academy (single academy) between 1st September 2013 and 31st July 2014 (11 months).

Victoria Academies Trust (multi academy including Victoria Park Academy and Rowley Park Academy) between 1st August 2014 and 31st August 2014 (1 month).

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07887796.

The governors act as the trustees for the charitable activities of Victoria Academies Trust and are also then Directors of the charitable company for the purposes of company law.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Principal activities

The principal activity of Victoria Academies Trust is to advance the education of pupils at the academy trust, to advance the education of other members of the community, and otherwise to benefit the community, having regard to the Academy's obligations as stated in the Articles of Association.

Victoria Academies Trust Trustees' Report for the Year Ended 31 August 2014

Method of recruitment and appointment or election of Trustees

Parent Governors

Those eligible to participate in the election process are parents or guardians of registered pupils at the academy at the time. Any such parent can be nominated and each such parent will be entitled to cast one vote per vacancy, should a ballot be necessary.

Invitations for nominations are circulated to parents by letter via pupils where possible, and indicate how nomination forms can be obtained and the arrangements for their return (where to, closing date and time etc.).

Staff Governors

Those eligible to participate in the appointing process are members of staff employed by the academy.

Invitations for nominations are circulated to staff eligible to participate (posted, together with a nomination form, to staff absent on that day) and indicate how nomination forms can be obtained and the arrangements for their return (where to, closing date and time etc.).

There will be at least one Staff Governor representing Teachers and one Staff Governor representing Non-Teaching Staff. Both of these methods are in line with Sandwell Local Authority guidance.

Policies and procedures adopted for the induction and training of Trustees

Governor training is available to all Governors via the 'Local Authority Governor Services Training'. Governors are informed termly (by post) of training courses available by the above mentioned service provider. Governors are actively encouraged to attend these courses.

Victoria Academies Trust Trustees' Report for the Year Ended 31 August 2014

Organisational structure

Finance

The governing body approves the annual budget. They termly review the budget and investigate any unusual or unexpected variations.

Any expenditure over £5,000 has to be approved by the governing body.

In case of an emergency the head teacher will seek a 'Chairs Action' to approve expenditure above this amount which will then be subsequently discussed and approved at the next available meeting.

Any expenditure below £5,000 does not require governing body approval. This is taken at the discretion of the Headteacher.

In line with Local Authority policy, salary reviews are approved by the board of governors. Education School Development Plan is reviewed and updated by the School Leadership Team on a termly basis and reports to the Governing body (Learning Committee).

Governor monitoring visits are carried out on an annual basis to review the progress of subjects / areas of the school.

A formal report is produced and submitted to the Governing body for each governor visit.

Risk management

The Academy operates within the guidelines of Sandwell Local Authority 'Fair Funding – Scheme for Financing of Schools', as well as their own financial procedures (e.g. as mentioned in the organisational structure section).

The governing body has two separate sub committees (learning committee and resources committee):

1. The Learning Committee is responsible for standards, teaching and learning and curriculum.
2. The Resources Committee is responsible for pay, personnel, finance, and health & safety including child protection and safeguarding.

Connected organisations, including related party relationships

All Governors sign a 'Declaration of Interest' at the start of each academic year stating that they have no related party transactions either direct or indirect. Should they do so they will declare it at this point.

This is reviewed and confirmed at each governing body meeting.

Victoria Academies Trust Trustees' Report for the Year Ended 31 August 2014

Objectives and activities

Achievements and Performance

The Academy was last inspected by Ofsted in October 2011 whilst still a maintained primary school and was judged to be outstanding. The school continues to thrive and its outcomes have improved since the time of the inspection.

The following Key Stage 2 national headline performance data was published recently about the Academy:

- 100% of pupils made at least expected progress in reading. This is above national average.
- 100% of pupils made at least expected progress in writing. This is above national average.
- 100% of pupils made at least expected progress in maths. This is above national average.
- Average Points Score is 29.5 which is above the national average of 28.0.
- 83% of pupils achieved L4+ in reading, writing and maths which is in line with national average.
- Progress in L4+ in reading, writing and maths is 34% which is significantly above the national average of zero.
- Progress in regard to average points score is 4.2 which is significantly above the national average of zero.

In 2013 the school was the only academy to be shortlisted for the TES school of the year award.

Going concern

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

Victoria Academies Trust Trustees' Report for the Year Ended 31 August 2014

Financial review

Victoria Academies Trust's primary source of funding comes via the EFA in way of the General Annual Grant.

The 'Pupil Premium' element is used to provide additional staff for small Intervention group support and support their learning experience. The most recent report on spending of the grant can be found on the school's website. The expenditure incurred is mainly Staff costs; however it is also utilised to maintain the building and resources.

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

Principal risks and uncertainties

As funds are received on a monthly basis there is always the possibility of cash flow issues for any unforeseen events. As with any academy conversion a potential liability is assumed from the Local Authority with regard to Non-Teaching Pension deficit. Within the accounts a deficit is provided for based on key assumptions made by professional Actuaries. Although, an estimation has been made by Actuaries, there remain uncertainties of how the pension fund will perform in the future.

Financial and risk management objectives and policies

Due to the nature of the Academy, the financial instruments are bank balance, cash, debtors and creditors. The Academy has a credit card with a limit of £2,000.00 which is cleared on a monthly basis by Direct Debit. Therefore there is minimal financial risk.

Reserves Policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Investment policy

The Academy has no material investments.

Plans for future periods

To maintain and improve the performance achieved by the current published national data.

To achieve the outcomes identified in the current school development plan.

To continue to pursue the charitable objects of the charitable trust.

The Trust plans to expand the number of Academies within the Trust. By 31st August 2015 it is anticipated that the Trust will have five Academies.

**Victoria Academies Trust
Trustees' Report for the Year Ended 31 August 2014**

Funds held as Custodian Trustee on behalf of others

Victoria Academies Trust holds the cheque book for Smethwick Learning Improvement Community (SLIC). The signatories are the head teacher, deputy head teacher and the head teacher of St Mathews Primary School. This does not affect Victoria Academies Trust in meeting its objectives.

Auditor

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.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Wright & Co Partnership Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting. Approved by order of the on 31st December 2014 and signed on its behalf by:



L Richardson
Governor and trustee

Victoria Academies Trust Governance Statement

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to A Morrish, Chief Executive, 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 Victoria Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governing Body Meetings 1/09/13 to 31/08/14

| Trustee Meetings | attended | Out of a possible |
|------------------|----------|-------------------|
| R O Adigun | 0 | 5 |
| T Akram | 3 | 5 |
| A Batham | 5 | 5 |
| B Cohen | 4 | 5 |
| W Dawkins | 3 | 5 |
| N L Dunne | 4 | 5 |
| K Fowler | 2 | 4 |
| R Jalil | 1 | 5 |
| N Johal | 1 | 5 |
| A Morrish | 5 | 5 |
| L Richardson | 5 | 5 |
| R J Wallace | 4 | 5 |
| L Worgan | 3 | 5 |
| M Wynne | 5 | 5 |
| A Dhesi | 0 | 0 |

A Harvey Resigned 2/10/13

K Fowler resigned 30/06/14

A Dhesi joined the Governing Body on 1/7/14

Trustee Board Meetings 1/09/13 to 31/8/14

| | | |
|--------------|---|---|
| N L Dunne | 4 | 4 |
| R Elkington | 3 | 4 |
| N Johal | 3 | 4 |
| A Morrish | 4 | 4 |
| L Richardson | 4 | 4 |

Victoria Academies Trust Governance Statement

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Victoria Academies Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

Victoria Academies Trust Governance Statement

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 Governing Body;
- 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 Governing Body has considered the need for a specific internal audit function and has decided to appoint an internal auditor or Enhanced External Audit Function for 2014/15 onwards.

There were no material control or other issues reported to date.

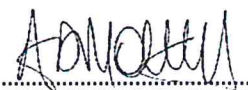
Review of effectiveness

As Accounting Officer, A Morrish, Head Teacher 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 financial officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 31st December 2014 and signed on its behalf by:



A Morrish
Governor and trustee



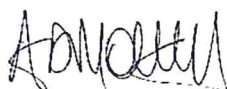
L Richardson
Governor and trustee

Victoria Academies Trust Statement on Regularity, Propriety and Compliance

As accounting officer of Victoria Academies Trust I have considered my responsibility to notify the academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust Governing Body 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.



.....
A Morrish, Chief Executive
Accounting officer

Victoria Academies Trust Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the Board on 31st December 2014 and signed on its behalf by:



L Richardson
Governor and trustee

Victoria Academies Trust
(Company limited by guarantee)
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VICTORIA ACADEMIES TRUST

We have audited the financial statements of Victoria Academies Trust for the year ended 31 August 2014 on pages 20 to 39. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the 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 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 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 act as trustees for the charitable activities of the charitable company, and 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 (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 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 Strategic Report and the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Victoria Academies Trust
(Company limited by guarantee)
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VICTORIA ACADEMIES TRUST

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

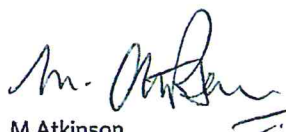
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors 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:

- the charity has not kept adequate accounting records, 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.



M Atkinson
Senior Statutory Auditor
for and on behalf of Wright and Co Partnership Limited

The Squires
5 Walsall Street
Wednesbury
West Midlands
WS10 9BZ

31 December 2014

Victoria Academies Trust
(Company limited by guarantee)
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VICTORIA
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Victoria Academies Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Victoria Academies Trust's accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of Victoria Academies Trust's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament 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 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Victoria Academies Trust
(Company limited by guarantee)
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VICTORIA
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



M Atkinson, Reporting Accountant
Wright and Co Partnership Limited

31st December 2014

Statement of Financial Activities for the year ended 31 August 2014
(including Income and Expenditure Account and Statement of Total Recognized Gains and Losses)

| | Notes | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total 2014 £ | Total 2013 £ |
|--|-------|----------------------------|-------------------------------------|---|--------------------|--------------------|
| Incoming resources | | | | | | |
| <i>Incoming resources from generated funds:</i> | | | | | | |
| • Voluntary income | 2 | 27,288 | 0 | 0 | 27,288 | 43,595 |
| • Voluntary income - transfer from Local Authority on conversion | 2 | 17,005 | (408,000) | 1,186,000 | 795,005 | 0 |
| • Activities for generating funds | 3 | 170,499 | 0 | 0 | 170,499 | 84,009 |
| Investment Income | 4 | 395 | 0 | 0 | 395 | 505 |
| <i>Incoming resources from charitable activities:</i> | | | | | | |
| • Funding for the Academy's educational operations | 5 | 0 | 2,453,106 | 8,854 | 2,461,960 | 2,467,288 |
| Total incoming resources | | 215,187 | 2,045,106 | 1,194,854 | 3,455,147 | 2,595,397 |
| Resources expended | | | | | | |
| <i>Cost of generating funds:</i> | | | | | | |
| • Costs of generating voluntary income | | 0 | 0 | 0 | 0 | 0 |
| • Investment management costs | | 0 | 0 | 0 | 0 | 0 |
| <i>Charitable activities:</i> | | | | | | |
| • Academy's educational operations | 7 | 0 | 2,678,912 | 185,696 | 2,864,608 | 2,517,100 |
| <i>Governance costs</i> | 8 | 0 | 10,339 | 0 | 10,339 | 19,197 |
| Total resources expended | 6 | 0 | 2,689,251 | 185,696 | 2,874,946 | 2,536,297 |
| Net incoming (outgoing) resources before transfers | | 215,187 | (644,145) | 1,009,158 | 580,201 | 59,100 |
| Gross transfers between funds | | 0 | (54,745) | 54,745 | 0 | 0 |
| Net income/(expenditure) for the year | | 215,187 | (698,890) | 1,063,903 | 580,201 | 59,100 |
| Other recognised gains and losses | | | | | | |
| Actuarial (losses) gains on defined benefit pension schemes | 24 | 0 | (269,000) | 0 | (269,000) | (23,000) |
| Net movement in funds | | 215,187 | (967,890) | 1,063,903 | 311,201 | 36,100 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward at 1 September 2013 | | 144,784 | (769,469) | 10,350,322 | 9,725,637 | 9,689,536 |
| Funds carried forward at 31 August 2014 | | 359,971 | (1,737,358) | 11,414,225 | 10,036,837 | 9,725,637 |

All of the academy trust's activities derive from acquisitions during the above two financial periods.

BALANCE SHEET at 31 August 2014

Company Number 07887796

| | Notes | 2014 £ | 2014 £ | 2013 £ | 2013 £ |
|--|-------|------------------|--------------------|-----------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 11,414,225 | | 10,350,322 |
| Current assets | | | | | |
| Stock | 13 | | | | |
| Debtors | 14 | 101,560 | | 140,649 | |
| Cash at bank and in hand | | <u>360,048</u> | | <u>125,416</u> | |
| | | 461,608 | | 266,065 | |
| Current liabilities | | | | | |
| Creditors: Amounts falling due within one year | 15 | <u>(358,996)</u> | | <u>(91,750)</u> | |
| Net current assets | | | <u>102,612</u> | | <u>174,315</u> |
| Total assets less current liabilities | | | 11,516,837 | | 10,524,637 |
| Net assets excluding pension liability | | | 11,516,837 | | 10,524,637 |
| Pension scheme liability | 16 | | <u>(1,480,000)</u> | | <u>(799,000)</u> |
| Net assets including pension liability | | | <u>10,036,837</u> | | <u>9,725,637</u> |
| Funds of the academy: | | | | | |
| Restricted income funds | | | | | |
| . Fixed asset fund(s) | 16 | | 11,414,225 | | 10,350,322 |
| . General fund(s) | 16 | | (257,359) | | 29,531 |
| . Pension reserve | 16 | | <u>(1,480,000)</u> | | <u>(799,000)</u> |
| Total restricted funds | | | <u>9,676,866</u> | | <u>9,580,853</u> |
| Unrestricted income funds | | | | | |
| . General fund(s) | 16 | | 359,971 | | 144,784 |
| Total unrestricted funds | | | <u>359,971</u> | | <u>144,784</u> |
| Total funds | | | <u>10,036,837</u> | | <u>9,725,637</u> |

The financial statements on pages 20 to 39 were approved by the trustees, and authorised for issue on 31 December 2014 and are signed on their behalf by:



A Morrish
Trustee

Cash Flow Statement for the year ended 31 August 2014

| | Notes | 2014 £ | 2013 £ |
|---|-------|----------------|-----------------|
| Net cash inflow from operating activities | 18 | 271,977 | (70,531) |
| Returns on investments and servicing of finance | 19 | 395 | 505 |
| Capital Expenditure | 20 | (54,745) | (14,464) |
| Cash transferred on conversion to an academy trust | | 17,005 | 0 |
| (Decrease)/Increase in cash in the year | | 234,632 | (84,490) |
| Reconciliation of net cash flow to movement in net funds | | | |
| (Decrease)/Increase in cash in the year | | 234,632 | (84,490) |
| Net funds at 1 September 2013 | | 125,416 | 125,416 |
| Net funds at 31 August 2014 | | 360,048 | 40,927 |

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

Notes to the Financial Statements for the Year Ended 31 August 2014**1. Statement of Accounting Policies****Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming Resources

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

• Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

• Sponsorship income

Sponsorship income provided to the academy trust 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 and it is measurable.

• 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 trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

Resources Expended

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 trust's educational operations.

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)**1. Statement of Accounting Policies (continued)**

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

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 trust'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 basis over its expected useful life, as follows:

| | |
|----------------------------------|-----|
| Freehold buildings | 1% |
| Fixtures, fittings and equipment | 20% |
| ICT equipment | 25% |
| Motor Vehicles | 10% |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Taxation

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

Pensions 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 24, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1. Statement of Accounting Policies (continued)

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency.

2 Voluntary Income

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Transfer on Conversion | 17,005 | 778,000 | 795,005 | 0 |
| Other Donations | 27,288 | 0 | 27,288 | 43,595 |
| | <u>44,294</u> | <u>778,000</u> | <u>822,293</u> | <u>43,595</u> |

3 Activities for Generating Funds

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Hire of Facilities | 1,804 | 0 | 1,804 | 1,790 |
| Catering Income | 48,557 | 0 | 48,557 | 40,856 |
| Education Welfare provision to other schools | 42,470 | 0 | 42,470 | 40,255 |
| Behaviour Support provision to other schools | 58,075 | 0 | 58,075 | 0 |
| School Improvement Consultancy provision to other schools | 7,755 | 0 | 7,755 | 0 |
| Other Sales | 11,837 | 0 | 11,837 | 1,108 |
| | <u>170,499</u> | <u>0</u> | <u>170,499</u> | <u>84,009</u> |

4 Investment Income

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|----------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Current/Deposit Account Interest | 395 | 0 | 395 | 505 |
| | <u>395</u> | <u>0</u> | <u>395</u> | <u>505</u> |

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

5 Funding for Academy's Educational Operations

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|-------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE / EFA revenue grants | | | | |
| General Annual Grant (GAG) (note 2) | 0 | 2,211,067 | 2,211,067 | 2,041,553 |
| PE Grant | 0 | 9,740 | 9,740 | 0 |
| Pupil Premium | 0 | 224,977 | 224,977 | 141,516 |
| Other DfE / EFA grants Rates | 0 | 2,433 | 2,433 | 23,170 |
| Other DfE / EFA grants Insurance | 0 | 4,889 | 4,889 | 7,102 |
| | <u>0</u> | <u>2,453,106</u> | <u>2,453,106</u> | <u>2,213,341</u> |
| Other Government grants | | | | |
| General Capital Grant | 0 | 8,854 | 8,854 | 8,753 |
| Special Capital Grant | 0 | 0 | 0 | 245,195 |
| | <u>0</u> | <u>8,854</u> | <u>8,854</u> | <u>253,948</u> |
| | <u>0</u> | <u>2,461,960</u> | <u>2,461,960</u> | <u>2,467,288</u> |

6 Resources Expended

| | Staff Costs £ | Non Pay Expenditure | | Total 2014 £ | Total 2013 £ |
|--|---------------------|---------------------|----------------|--------------------|--------------------|
| | | Premises £ | Other £ | | |
| Costs of generating voluntary income | 0 | 0 | 0 | 0 | 0 |
| Costs of activities for generating funds | 0 | 0 | 0 | 0 | 0 |
| Academy's educational operations | | | | | |
| • Direct Costs | 1,833,325 | 0 | 141,047 | 1,974,372 | 1,772,913 |
| • Allocated Support Costs | 316,939 | 293,247 | 280,050 | 890,236 | 744,186 |
| | <u>2,150,264</u> | <u>293,247</u> | <u>421,097</u> | <u>2,864,608</u> | <u>2,517,100</u> |
| Governance costs including allocated support costs | 0 | 0 | 10,339 | 10,339 | 19,197 |
| | <u>2,150,264</u> | <u>293,247</u> | <u>431,436</u> | <u>2,874,946</u> | <u>2,536,297</u> |

Incoming/outgoing resources for the year include:

| | 2014 £ | 2013 £ |
|---|-----------|------------|
| Operating leases | 1,195 | 2,390 |
| Fees payable to auditor - audit | 6,000 | 3,000 |
| - other services | 600 | 0 |
| Profit/(loss) on disposal of fixed assets | <u>0</u> | <u>313</u> |

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

7 Charitable Activities - Academies Educational Operations

| | Restricted Funds £ | Restricted Fixed Asset Funds £ | Total 2014 £ | Total 2013 £ |
|--|--------------------------|--------------------------------------|--------------------|--------------------|
| Direct costs | | | | |
| Teaching and educational support costs | 1,833,325 | 0 | 1,833,325 | 1,542,526 |
| Depreciation | 0 | 0 | 0 | 0 |
| Educational supplies | 126,163 | 0 | 126,163 | 197,594 |
| Examination fees | 0 | 0 | 0 | 0 |
| Staff Development | 14,884 | 0 | 14,884 | 32,793 |
| Educational consultancy | 0 | 0 | 0 | 0 |
| Other direct costs | 0 | 0 | 0 | 0 |
| | <u>1,974,372</u> | <u>0</u> | <u>1,974,372</u> | <u>1,772,913</u> |
| Allocated support costs | | | | |
| Support staff costs | 316,939 | 0 | 316,939 | 281,955 |
| Depreciation | 0 | 185,696 | 185,696 | 171,638 |
| Recruitment and support | 3,029 | 0 | 3,029 | 22,826 |
| Maintenance of premises | 44,005 | 0 | 44,005 | 95,957 |
| Water Rates | 9,292 | 0 | 9,292 | 0 |
| Energy Costs | 38,796 | 0 | 38,796 | 0 |
| Maintenance of equipment | 0 | 0 | 0 | 0 |
| Fixtures and Fittings | 0 | 0 | 0 | 0 |
| Cleaning | 3,500 | 0 | 3,500 | 3,537 |
| Operating Lease (Photocopier) | 14,592 | 0 | 14,592 | 0 |
| Rent and rates | 2,433 | 0 | 2,433 | 20,612 |
| Insurance | 9,525 | 0 | 9,525 | 17,700 |
| Supply Teacher Insurance | 556 | 0 | 556 | 0 |
| Security and transport | 8,581 | 0 | 8,581 | 6,074 |
| Catering | 52,694 | 0 | 52,694 | 40,670 |
| Bank interest and charges | 0 | 0 | 0 | 0 |
| Other support costs | 200,597 | 0 | 200,597 | 83,217 |
| | <u>704,540</u> | <u>185,696</u> | <u>890,236</u> | <u>744,186</u> |
| | <u>2,678,912</u> | <u>185,696</u> | <u>2,864,608</u> | <u>2,517,100</u> |

8 Governance Costs

| | Unrestricted Funds £ | Restricted Funds £ | Total 2014 £ | Total 2013 £ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Legal and professional fees | 0 | 7,339 | 7,339 | 16,197 |
| Auditor's remuneration | | | | |
| • Audit of financial statements | 0 | 3,000 | 3,000 | 3,000 |
| • Other Audit services | 0 | 0 | 0 | 0 |
| | <u>0</u> | <u>10,339</u> | <u>10,339</u> | <u>19,197</u> |

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

9 Staff Costs

Staff costs during the period were:

| | 2014 £ | 2013 £ |
|---------------------------------|------------------|------------------|
| Wages and salaries | 1,711,002 | 1,513,842 |
| Social security costs | 130,158 | 104,018 |
| Pension costs | 198,296 | 167,139 |
| Additional Pension Contribution | 27,325 | 17,180 |
| Statutory Maternity Pay | (21,998) | (18,858) |
| | <u>2,044,783</u> | <u>1,783,321</u> |
| Supply teacher costs | 105,481 | 41,190 |
| Compensation payments | 0 | 0 |
| | <u>105,481</u> | <u>41,190</u> |

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

| | 2014 No. | 2013 No. |
|------------------------------|-------------|-------------|
| Charitable Activities | | |
| Teachers | 27.8 | 16.4 |
| Administration and support | 58.7 | 40.3 |
| Management | 6.6 | 4.6 |
| | <u>93.1</u> | <u>61.3</u> |

The number of employees whose emoluments exceeded £60,000 was:

| | 2014 No. | 2013 No. |
|---------------------|-------------|-------------|
| £90,001 - £100,000 | 0 | 1 |
| £100,001 - £110,000 | 0 | 0 |
| £110,001 - £120,000 | 1 | 0 |
| | <u>1</u> | <u>1</u> |

The above employee participated in the Teachers' Pension Scheme (one in 2013). During the year ended 31st August 2014 pension contributions for these members of staff amounted to £14,295 (2013 £11,745)

10 Central Services

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

11 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 or other expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

CEO/Principal: A Morrish £115,000 - £120,000 (2013 £90,000 - £95,000)
 Deputy Head Victoria Park Academy: Miss K Fowler £55,000 - £60,000 (2013 £55,000 - £60,000)
 Assistant Head Victoria Park Academy: M Wynne £50,000 - £55,000 (2013 £50,000 - £55,000)
 Business Manager Victoria Park Academy: A Batham £35,000 - £40,000 (2013 £35,000 - £40,000)
 Head Teacher Rowley Park Academy: Miss K Fowler £5,000 - £10,000 (2013 £nil)

During the year Ended 31 August 2014, no travel and subsistence expenses were reimbursed to trustees (2013 – £0).

Other related party transactions involving the Trustees are set out in note 25

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

12 Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year Ended 31 August 2014 was £886 (2013 - £443).

The cost of this insurance is included in the total insurance cost.

13 Tangible Fixed Assets

| | Leasehold Land and Buildings £ | Furniture and Equipment £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|------------------------|---|------------------------------------|----------------------------|------------------------|------------|
| Cost | | | | | |
| At 1 September 2013 | 10,245,495 | 270,917 | 50,000 | 25,000 | 10,591,412 |
| Additions | 25,588 | 11,262 | 26,749 | 0 | 63,599 |
| Transfer on conversion | 1,186,000 | 0 | 0 | 0 | 1,186,000 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| At 31 August 2014 | 11,457,083 | 282,179 | 76,749 | 25,000 | 11,841,011 |
| Depreciation | | | | | |
| At 1 September 2013 | 144,122 | 76,760 | 17,708 | 2,500 | 241,090 |
| Charged in year | 107,573 | 56,436 | 19,187 | 2,500 | 185,696 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| At 31 August 2014 | 251,694 | 133,196 | 36,895 | 5,000 | 426,785 |
| Net book values | | | | | |
| At 31 August 2014 | 11,205,389 | 148,984 | 39,853 | 20,000 | 11,414,225 |
| At 31 August 2013 | 10,101,373 | 194,157 | 32,292 | 22,500 | 10,350,322 |

14 Debtors

| | 2014 £ | 2013 £ |
|---------------|----------------|----------------|
| Trade debtors | 0 | 0 |
| Other debtors | 61,688 | 65,661 |
| VAT Debtor | 19,192 | 48,754 |
| Prepayments | 20,680 | 26,234 |
| | <u>101,560</u> | <u>140,649</u> |

15 Creditors: amounts falling due within one year

| | 2014 £ | 2013 £ |
|------------------------------------|----------------|---------------|
| Trade creditors | 62,600 | 16,104 |
| PAYE & NIC creditor | 50,705 | 28,767 |
| Other taxation and social security | 1,322 | 0 |
| Pension scheme creditors | 41,847 | 21,949 |
| Other creditors | 470 | 10,335 |
| Accruals and deferred income | 202,053 | 14,595 |
| | <u>358,996</u> | <u>91,750</u> |

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

16 Funds

| | Balance at 1 September 2013 £ | Incoming Resources £ | Resources Expended £ | Gains, Losses and Transfers £ | Balance at 31 August 2014 £ |
|-------------------------------------|--|----------------------------|----------------------------|-------------------------------------|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | (194,757) | 2,211,067 | (2,256,518) | (54,745) | (294,953) |
| Primary PE Grant | 0 | 9,740 | (9,740) | 0 | 0 |
| Pupil Premium | 194,016 | 224,977 | (418,993) | 0 | 0 |
| Transfer on Conversion | 0 | 0 | 0 | 0 | 0 |
| Other DfE/EFA grants | 30,272 | 7,322 | 0 | 0 | 37,594 |
| Provision of boarding | 0 | 0 | 0 | 0 | 0 |
| Pension reserve | (799,000) | (408,000) | (4,000) | (269,000) | (1,480,000) |
| | (769,469) | 2,045,106 | (2,689,251) | (323,745) | (1,737,359) |
| Restricted fixed asset funds | | | | | |
| Transfer on Conversion | 10,302,500 | 1,186,000 | 0 | 0 | 11,488,500 |
| DfE/EFA capital grants | 17,512 | 8,852 | 0 | 0 | 26,364 |
| Capital expenditure from GAG | 32,706 | 0 | (185,695) | 54,745 | (98,244) |
| Disposal of Assets | (2,395) | 0 | 0 | 0 | (2,395) |
| | 10,350,323 | 1,194,852 | (185,695) | 54,745 | 11,414,225 |
| Total restricted funds | 9,580,854 | 3,239,958 | (2,874,946) | (269,000) | 9,676,866 |
| Unrestricted funds | | | | | |
| Unrestricted funds | 144,784 | 215,188 | 0 | 0 | 359,971 |
| Total unrestricted funds | 144,784 | 215,188 | 0 | 0 | 359,971 |
| Total Funds | 9,725,638 | 3,455,146 | (2,874,946) | (269,000) | 10,036,837 |

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

| | Total £ |
|-----------------------------|-------------------|
| Rowley Park Academy | 3,271 |
| Victoria Park Academy | 99,341 |
| | 102,612 |
| Restricted fixed asset fund | 11,414,225 |
| Pension reserve | (1,480,000) |
| Total | 10,036,837 |

Analysis of academies by cost

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

| | Teaching and Educational Support Staff Costs £ | Other Support Staff Costs £ | Educational Supplies £ | Other Costs (excluding Depreciation) £ | Total £ |
|-----------------------|---|--------------------------------------|------------------------------|---|------------------|
| Rowley Park Academy | 64,167 | 9,232 | 2,427 | 10,988 | 86,814 |
| Victoria Park Academy | 1,769,158 | 307,707 | 123,736 | 401,836 | 2,602,437 |
| | 1,833,325 | 316,939 | 126,163 | 412,824 | 2,689,251 |

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

| | Unrestricted Funds | Restricted General Funds | Restricted Fixed Asset Funds | Total Funds |
|--------------------------|-----------------------|--------------------------------|---------------------------------------|-------------------|
| | £ | £ | £ | £ |
| Tangible Fixed Assets | 0 | 0 | 11,414,225 | 11,414,225 |
| Current assets | 359,971 | 101,637 | 0 | 461,608 |
| Current liabilities | 0 | (358,996) | 0 | (358,996) |
| Pension scheme liability | 0 | (1,480,000) | 0 | (1,480,000) |
| Total net assets | 359,971 | (1,737,359) | 11,414,225 | 10,036,837 |

18 Financial commitments

Operating leases

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

| | 2014 £ | 2013 £ |
|--|--------------|--------------|
| Land and buildings | | |
| Expiring within one year | 0 | 0 |
| Expiring within two and five years inclusive | 0 | 0 |
| Expiring in over five years | 0 | 0 |
| | 0 | 0 |
| Other | | |
| Expiring within one year | 1,912 | 2,389 |
| Expiring within two and five years inclusive | 3,346 | 0 |
| Expiring in over five years | 0 | 0 |
| | 5,258 | 2,389 |

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

| | 2014 £ | 2013 £ |
|--|----------------|-----------------|
| Net income | 580,201 | 59,100 |
| Depreciation (note 12) | 185,696 | 171,638 |
| Capital grants from DfE and other capital income | (8,854) | (253,948) |
| Pension - Transfer of Liability on conversion | 408,000 | 313 |
| Fixed Assets Transfer on conversion | (1,186,000) | 0 |
| Cash Transfer on conversion | (17,005) | 0 |
| FRS 17 adjustments | 4,000 | 0 |
| Interest receivable (note 6) | (395) | (505) |
| (Increase)/decrease in stocks | 0 | 0 |
| (Increase)/decrease in debtors | 39,088 | (58,066) |
| Increase/(decrease) in creditors | 267,247 | 10,936 |
| Net cash inflow from operating activities | 271,977 | (70,531) |

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

20 Returns on investments and servicing of finance

| | | |
|--|------------|------------|
| Interest received | 395 | 505 |
| Net cash inflow from returns on investments and servicing of finance | <u>395</u> | <u>505</u> |

21 Capital expenditure and financial investment

| | | |
|---|-----------------|-----------------|
| Purchase of tangible fixed assets | (63,599) | (270,495) |
| Capital grants from DfE/EFA | 8,854 | 253,948 |
| Capital funding received from sponsors and others | 0 | 0 |
| Receipts from sale of tangible fixed assets | 0 | 2,083 |
| Net cash inflow from capital expenditure and financial investment | <u>(54,745)</u> | <u>(14,464)</u> |

22 Analysis of changes in net funds

| | At 1 September 2013 £ | Cash Flows £ | At 1 August 2014 £ |
|--------------------------|--------------------------------|--------------------|-----------------------------|
| Cash in hand and at bank | 125,416 | 234,632 | 360,048 |
| | <u>125,416</u> | <u>234,632</u> | <u>360,048</u> |

23 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.

24 Pensions 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 the West Midlands Pension Fund for Victoria Park Academy and the Staffordshire Pension Fund for Rowley Park Academy. All are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £41,847 (2013: £21,949) were payable to the schemes at 31 August 2014 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 and from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)**24 Pensions and similar obligations (continued)****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.

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

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)**24 Pensions and similar obligations (continued)****Teachers' Pension Scheme Changes**

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

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. 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 up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in 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 - Victoria Park Academy

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year Ended 31 August 2014 was £134,975 (2013 £116,348), of which employer's contributions totalled £99,855 (2013 £85,667) and employees' contributions totalled £35,120 (2013 £30,681). The agreed contribution rates for future years are 13.4 per cent for employers and a range of between 5.5 per cent and 12.5 per cent, based on earnings, for employees.

The academy trust will pay additional contributions to cover the past service deficit of £39,700 in 2015/16 and £41,400 in 2016/17 financial years

Principal Actuarial Assumptions

| | At 31 August 2014 | At 31 August 2013 |
|--|----------------------------------|----------------------------------|
| Rate of increase in salaries | 3.95% | 4.15% |
| Rate of increase for pensions in payment/inflation | 2.20% | 2.40% |
| Discount rate for scheme liabilities | 4.00% | 4.60% |
| Inflation assumption (CPI) | 2.20% | 2.40% |

Commutation of pensions to lump sums: 50% take maximum cash; 50% take 3/80ths cash

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pensions and similar obligations (continued)

Local Government Pension Scheme - Victoria Park Academy (continued)

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

| | At 31 August 2014 | At 31 August 2013 |
|-----------------------------|-------------------------|-------------------------|
| <i>Retiring today</i> | | |
| Males | 22.9 | 22.1 |
| Females | 25.5 | 24.8 |
| <i>Retiring in 20 years</i> | | |
| Males | 25.1 | 23.9 |
| Females | 27.8 | 26.7 |

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

| | Expected return at 31 August 2014 | Fair Value at 31 August 2014 | Expected return at 31 August 2013 | Fair Value at 31 August 2013 |
|--|--|---------------------------------------|--|---------------------------------------|
| | | £ | | £ |
| Equities | 7.00% | 344,000 | 7.00% | 238,000 |
| Government bonds | 2.90% | 60,000 | 3.40% | 47,000 |
| Other bonds | 3.80% | 78,000 | 4.40% | 63,000 |
| Property | 6.20% | 66,000 | 5.70% | 49,000 |
| Cash liquidity | 0.50% | 33,000 | 0.50% | 23,000 |
| Other | 7.00% | 180,000 | 7.00% | 141,000 |
| Total market value of assets | | 761,000 | | 561,000 |
| Present value of scheme liabilities | | | | |
| - Funded | | (1,807,000) | | (1,360,000) |
| Surplus/(deficit) in the scheme | | (1,046,000) | | (799,000) |

The actual return on scheme assets was £65,000 (2013: £48,000)

Amounts recognised in the statement of financial activities

| | 2014 £ | 2013 £ |
|--|----------------|----------------|
| Current service cost (net of employee contributions) | 112,000 | 101,000 |
| Past service cost | 0 | 0 |
| Total operating charge | 112,000 | 101,000 |

Analysis of pension finance income/(costs)

| | | |
|--|-----------------|-----------------|
| Expected return on pension scheme assets | 36,000 | 28,000 |
| Interest on pension liabilities | (65,000) | (56,000) |
| Pension finance income/(costs) | (29,000) | (28,000) |

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pensions and similar obligations (continued)

Local Government Pension Scheme - Victoria Park Academy (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities.
The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £288,000 loss (2013: £83,000 loss).

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

| | 2014 £ | 2013 £ |
|------------------------------|------------------|------------------|
| At 1 September | 1,360,000 | 1,200,000 |
| Current service cost | 112,000 | 101,000 |
| Interest cost | 65,000 | 56,000 |
| Employee contributions | 35,000 | 31,000 |
| Actuarial (gain)/loss | 261,000 | 0 |
| Benefits paid | (26,000) | (28,000) |
| Past service cost | 0 | 0 |
| Curtailments and settlements | 0 | 0 |
| Business Combinations | 0 | 0 |
| At 31 August | <u>1,807,000</u> | <u>1,360,000</u> |

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

| | 2014 £ | 2013 £ |
|---------------------------|----------------|----------------|
| At 1 September | 561,000 | 424,000 |
| Expected return on assets | 36,000 | 28,000 |
| Actuarial gain/(loss) | 56,000 | 20,000 |
| Business combinations | 0 | 0 |
| Employer contributions | 99,000 | 86,000 |
| Employee contributions | 35,000 | 31,000 |
| Benefits paid | (26,000) | (28,000) |
| At 31 August | <u>761,000</u> | <u>561,000</u> |

The estimated value of employer contributions for next period is £115,000 (2013 - £87,000).

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

| | 2014 £ | 2013 £ | 2012 £ |
|--|--------------------|------------------|------------------|
| Present value of defined benefit obligations | (1,807,000) | (1,360,000) | (1,200,000) |
| Fair value of share of scheme assets | 761,000 | 561,000 | 424,000 |
| Deficit in the scheme | <u>(1,046,000)</u> | <u>(799,000)</u> | <u>(776,000)</u> |
| Experience adjustments on the share of scheme assets | | | |
| Amount £ | 56,000 | 20,000 | (4,000) |
| Experience adjustments on scheme liabilities | | | |
| Amount £ | 0 | 0 | 0 |

Comparative figures have not been restated as permitted by FRS 17.

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pensions and similar obligations (continued)

Local Government Pension Scheme - Rowley Park Academy

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year Ended 31 August 2014 was £6,110 (2013 £Nil), of which employer's contributions totalled £4,708 (2013 £Nil) and employees' contributions totalled £1,402 (2013 £Nil). The agreed contribution rates for future years are 19.1 per cent for employers and a range of between 5.5 per cent and 12.5 per cent, based on earnings, for employees.

Principal Actuarial Assumptions

| | At 31 August 2014 | At 1 August 2014 |
|--|-------------------------|------------------------|
| Rate of increase in salaries | 4.40% | 4.40% |
| Rate of increase for pensions in payment/inflation | 2.60% | 2.60% |
| Discount rate for scheme liabilities | 3.70% | 3.70% |
| Inflation assumption (CPI) | 5.60% | 5.60% |

Commutation of pensions to lump sums: 50% take maximum cash; 50% take 3/80ths cash

24 Pensions and similar obligations (continued)

Local Government Pension Scheme - Rowley Park Academy (continued)

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

| | At 31 August 2014 | At 1 August 2014 |
|-----------------------------|-------------------------|------------------------|
| <i>Retiring today</i> | | |
| Males | 22.1 | 22.1 |
| Females | 24.3 | 24.3 |
| <i>Retiring in 20 years</i> | | |
| Males | 24.3 | 24.3 |
| Females | 26.6 | 26.6 |

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

| | Expected return at 31 August 2014 | Fair Value at 31 August 2014 | Expected return at 1 August 2014 | Fair Value at 1 August 2014 |
|--|--|---------------------------------------|---|--------------------------------------|
| | | £ | | £ |
| Equities | 6.30% | 204,000 | 6.60% | 192,000 |
| Government bonds | 0.00% | 0 | 0.00% | 0 |
| Other bonds | 3.40% | 35,000 | 3.70% | 33,000 |
| Property | 4.50% | 22,000 | 4.70% | 20,000 |
| Cash liquidity | 3.30% | 8,000 | 3.60% | 8,000 |
| Other | 0.00% | 0 | 0.00% | 0 |
| Total market value of assets | | 269,000 | | 253,000 |
| Present value of scheme liabilities | | | | |
| - Funded | | -703,000 | | -662,000 |
| Surplus/(deficit) in the scheme | | -434,000 | | -409,000 |

The actual return on scheme assets was £10,000 (2013: £Nil)

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pensions and similar obligations - Rowley Park Academy (continued)

Amounts recognised in the statement of financial activities

| | 2014 £ | 2013 £ |
|--|--------------|-----------|
| Current service cost (net of employee contributions) | 7,000 | 0 |
| Past service cost | 0 | 0 |
| Total operating charge | <u>7,000</u> | <u>0</u> |

Analysis of pension finance income/(costs)

| | | |
|--|---------------|----------|
| Expected return on pension scheme assets | 1,000 | 0 |
| Interest on pension liabilities | -2,000 | 0 |
| Pension finance income/(costs) | <u>-1,000</u> | <u>0</u> |

The actuarial gains and losses for the current year are recognised in the statement of financial activities.
The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £22,000 loss (2013: N/A).

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

| | 2014 £ | 2013 £ |
|------------------------------|----------------|-----------|
| At 1 September | 662,000 | 0 |
| Current service cost | 7,000 | 0 |
| Interest cost | 2,000 | 0 |
| Employee contributions | 1,000 | 0 |
| Actuarial (gain)/loss | 31,000 | 0 |
| Benefits paid | 0 | 0 |
| Past service cost | 0 | 0 |
| Curtailments and settlements | 0 | 0 |
| Business Combinations | 0 | 0 |
| At 31 August | <u>703,000</u> | <u>0</u> |

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

| | 2014 £ | 2013 £ |
|---------------------------|----------------|-----------|
| At 1 September | 253,000 | 0 |
| Expected return on assets | 1,000 | 0 |
| Actuarial gain/(loss) | 9,000 | 0 |
| Business combinations | 0 | 0 |
| Employer contributions | 5,000 | 0 |
| Employee contributions | 1,000 | 0 |
| Benefits paid | 0 | 0 |
| At 31 August | <u>269,000</u> | <u>0</u> |

The estimated value of employer contributions for next period is £58,000 (2013 - N/A).

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pensions and similar obligations - Rowley Park Academy (continued)

The history of experience adjustments is as follows:

| | 2014 £ |
|--|-----------------|
| Present value of defined benefit obligations | -703,000 |
| Fair value of share of scheme assets | 269,000 |
| Deficit in the scheme | <u>-434,000</u> |
| Experience adjustments on the share of scheme assets | |
| Amount £ | 9,000 |
| Experience adjustments on scheme liabilities | |
| Amount £ | 0 |

Comparative figures have not been restated as permitted by FRS 17.

25 Related Party Transactions

NL Dunne is a director of the West Midlands Creative Alliance, a company that has supplied £4,020 of services to the Trust in the year to