

REGISTERED COMPANY NUMBER: 07698442 (England and Wales)

**Strategic Report, Report of the Trustees and
Financial Statements for the Year Ended 31 August 2014
for
Chadsmead Primary Academy**

Haines Watts
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

Chadsmead Primary Academy

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for the Year Ended 31 August 2014**

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Chadsmead Primary Academy

Reference and Administrative Details for the Year Ended 31 August 2014

MEMBERS

D Cole
A Evans
M Lavenstein

TRUSTEES

S Cartwright (appointed 1.9.13) *
D Cole *
A Evans *
M Lavenstein *
M Bland
J Eagland
C Hughes (office expired 24.9.14)
S James (resigned 13.5.14)
B Parker
P Smith
B Johnstone *
H Lunn (resigned 7.1.14)
S Higginbotham (resigned 15.5.14)
T Sayer
S Vaux
C Gray (appointed 13.11.13) *

* members of the finance and premises committee

SENIOR MANAGEMENT TEAM

S Cartwright (Headteacher and accounting officer)
D Budge
T Sayer
A Stevens
H Taylor
V Williams

REGISTERED OFFICE

Friday Acre
Lichfield
Staffordshire
WS13 7HJ

REGISTERED COMPANY NUMBER

07698442 (England and Wales)

AUDITORS

Haines Watts
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

SOLICITORS

Keelys LLP
28 Dam Street
Lichfield
Staffordshire
WS13 6AA

Bank

Lloyds Bank PLC
PO Box 1000
BX1 1LT

Chadsmead Primary Academy

Strategic Report for the Year Ended 31 August 2014

The trustees present their strategic report for the year ended 31 August 2014.

Achievements and Performance – for the end of year accounts 2013/14

The Academy again achieved an Outstanding grading as a result of the Ofsted inspection in July 2013. To have retained an Outstanding grading under the new inspection framework is a remarkable and rare achievement for academies nationally and we believe unique in Staffordshire.

Baseline assessments and home visits prior to the children starting in Nursery indicate that a substantial proportion of children commence school with social, behavioural and linguistic challenges. However, they have an excellent start in Nursery where classroom observation shows a lively, well –structured environment with children well socialised and ready for the next stage of their education. Excellent practice is evident in the rest of the Early Years and is confirmed by the fact that at the end of the last academic year over 90% of children achieved the early learning goals in 7 areas of the new framework and over 80% in 9 other areas. This is an improvement in Number, Shape, Space and Measure and Moving and Handling from the previous year.

Monitoring of teaching and pupil's work illustrate that good progress and attainment is maintained in Key Stage One. Academy data continually shows that our pupils achieve better than local and national average. 81% of pupils passed the threshold for the Year 1 phonics screening. This is an increase of 5% from the previous year and 3% previously. It demonstrates a steadily improving trend. Again we exceeded national results by 7%. The table shows attainment at the end of Key Stage One in July 2014.

Attainment at Key Stage One is higher than nationally in each subject at level 2b+ and Level 3.

CHADSMEAD PRIMARY ACADEMY RESULTS FOR THE END OF KEY STAGE ONE 2014			
Subject	Level 2b+	% (National)	Level 3 % (National)
Reading	82 (81)		42 (31)
Writing	77 (70)		25 (16)
Maths	82 (80)		23 (24)

CHADSMEAD PRIMARY ACADEMY RESULTS FOR THE END OF KEY STAGE TWO 2014						
Subject	Level 4+ % (national)		Level 5 % (national)		Level 6 % (national)	
	2013	2014	2013	2014	2013	2014
All subjects (MRW)	78 (75)		28 (21)			
Reading	94 (86)	92	53 (44)	59	6 (0)	2
Writing	92 (83)	78	33 (30)	28	8 (2)	2
EGPS	83 (74)	85	39 (47)	65	0 (2)	11
Maths	86 (85)	96	39 (41)	33	6 (6)	7

Chadsmead Primary Academy

Strategic Report for the Year Ended 31 August 2014

Academy data shows that attainment (Average Point Score) is higher than national expectations in all year groups across most subjects.

R = reading W= writing M = maths

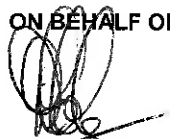
Y1			Y2			Y3			Y4			Y5		
R	W	M	R	W	M	R	W	M	R	W	M	R	W	M
(12)	(12)	(12)	(15)	(15)	(15)	(18)	(18)	(18)	(21)	(21)	(21)	(24)	(24)	(24)
11.67	11.39	12	15.95	14.82	16.0	22.0	17.86	19.32	24.38	21.03	23.09	26.43	23.02	24.83

The extension of the teaching of phonics to support improvements in spelling was the only issue identified for improvement in the Ofsted inspection in July 2013. Evidence of the impact of this provision is that 90% of pupils have an average or above Standardised Score in spelling. 59% of pupils have a higher than average standardised score in spelling.

On average 26% of pupils are identified as having Special Educational Needs - ranging between 18 – 34% between cohorts. There has been an increase in the number of pupils identified as having SEN with more accurate and earlier identification. 81% of IEP targets were achieved.

We are in the upper quartile for attendance. At 96% it now exceeds the national expectations. Support and involvement from parents is high as indicated by attendance at parent consultation evenings. We achieved a school average of 96%. The annual parent survey indicated extremely high levels of satisfaction with the whole range of our provision. The return rate was in excess of 90%. We had 226 responses from 224 families and 329 appointments.

ON BEHALF OF THE BOARD:



D. Cole - Trustee

17 December 2014

Chadsmead Primary Academy

Report of the Trustees for the Year Ended 31 August 2014

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 2014. 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The day to day management of the academy is delegated to the Academy Leadership Team, as listed on page 1, led by the Headteacher who is the accounting officer.

Details of the trustees and members 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 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.

Trustees' Indemnities

As part of the overall insurance cover taken out with third party insurers the Academy has taken out insurance relating to Governors' indemnity. The limit of indemnity cover is £5 million in this respect.

Recruitment and appointment of new trustees

The Members may agree by passing a special resolution in writing to appoint such additional members as they think fit.

Induction and training of new trustees

The training and induction provided for new governors and trustees will depend upon their existing experience. Induction is tailored specifically to the individual, however, all trustees receive membership to the Modern Governor e-training programme, which provides training on all aspects of school governance and they receive subscription to relevant periodicals / web sites i.e. Staffordshire Learning Net, Staffordshire Governors Association. Specific training workshops are also provided via Staffordshire Education, to which all Governors are able to attend.

Related parties

Chadsmead Primary Academy School Fund has been aggregated into these accounts as the fund is under the control of the academy.

Risk management

Buildings and grounds - Regular inspection of the grounds, building structure and fabric are undertaken - A schedule of works is completed annually and reviewed by Governors. Buildings and contents insurance is in place and reviewed annually. Contingency plans are in place to support unforeseen circumstances.

Health & Safety - Regular inspections are undertaken, overseen by a Governor. The Academy subscribes to a Management Service Level Agreement with the Local Authority who provides support, procedural structure and advice.

Performance - Pupil performance is monitored by the Senior Leadership Team and reported to Governors through a termly report. Action plans are created and monitored at pupil level. All staff receive Performance Management Appraisals; opportunities for training are identified and tracked.

Finance - Financial procedures and a Scheme of Delegation are in place. Independent Internal Auditors are appointed who report termly to a Governor appointed as Responsible Officer. External auditors have been appointed.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Through partnership between Governors, staff, parents, pupils, external partners and the local community, the Academy Trust will provide the facilities, resources and vision to enable the Academy to flourish and provide pupils with the best possible education.

The principal activity is the provision of education from Nursery through to Key Stage 2 for children with differing abilities between the age of 4 and 11.

Chadsmead Primary Academy

Report of the Trustees for the Year Ended 31 August 2014

Public benefit

Chadsmead Primary Academy Trust is approved by the Department for Education (DfE) and funded wholly by the Education Funding Agency (EFA) to further the education of pupils admitted under the requirements set out by the EFA Funding Agreement with the admission of pupils without fee. Parents are able to apply for their children to be admitted in accordance with these requirements. Governors ensure that applications are considered appropriately.

ACHIEVEMENT AND PERFORMANCE

Going concern

After making appropriate enquiries, the Governing Body 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

From an operational perspective key performance indicators are derived from the aims and objects of the Academy. As stated in those aims and as indicated in the report on performance the Academy strives to achieve the best outcome for each pupil in terms of educational advancement. Whilst undertaking this aim the governors and staff also want learning to occur in a safe and happy environment.

Standard measures of pupil achievement are key indicators. Staff also consider extra curricular achievement and child welfare in a broader sense in order to assess success in realising the objectives of the Academy.

FINANCIAL REVIEW

Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them to commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements, especially to buildings repair not covered by insurance. During 2014 Governors set a Minimum Reserve Policy (MRP) of 5% of the current year's DfE/EFA General Annual Grant, this to be on a best endeavours basis to cover unplanned liabilities and ensure the smooth operation of the Academy. Governors identify capital projects on an annual basis and reserves are reviewed alongside this exercise.

At 31 August 2014 Free Reserves show a surplus £143,109 (2013: a deficit of £6,284).

Investment policy and objectives

The Academy currently has no material investments.

FUTURE DEVELOPMENTS

In accordance with the aims and objectives of Chadsmead Primary Academy Trust, it will continue to further the education and drive improvements in the performance of all pupils to the best of their abilities. The Academy will continue to develop its resources, assets and staff to achieve these aims and objectives. Consideration will also be given to Multi-Academy Trust.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The Academy has no such funds.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial objectives are to enable the Academy to consistently provide high quality education for all students whilst undertaking to provide the best value for money on resources expended and to conduct all business in accordance with high standards of integrity. Financial objectives and policies are reviewed at each Finance Committee meeting.

The risk management objective is to ensure that there are no events which can substantially impact on the provision of education.

The policy of the Academy is to review risks arising and address them at governors meetings or sooner if required.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties identified by the members are those which may have a substantial impact on the provision of education. These include the loss of / long term illness of key members of staff, fire and flood, loss of computer systems. These risks are addressed so as to minimise any impact on the Academy, for instance ensuring adequate insurance is held and up to date and using the County Council for holding the computerised financial records.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



D. Cole - Trustee

17 December 2014

Chadsmead Primary Academy

Governance Statement for the Year Ended 31 August 2014

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 6 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
M Bland	5	6
S Cartwright	6	6
D Cole	6	6
J Eagland	4	6
A Evans	5	6
C Gray	3	5
S Higginbotham	2	5
C Hughes	4	6
S James	2	4
B Johnstone	5	6
M Lavenstein	3	6
H Lunn	0	2
B Parker	6	6
T Sayer	4	6
P Smith	4	6
S Vaux	4	6

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 Chadsmead Primary Academy for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of 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 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**Governance Statement
for the Year Ended 31 August 2014**

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 appointed Staffordshire County Internal Audit Services as an independent internal auditor, and to appoint a Governor, Mrs C Hughes, as Responsible Officer ('RO'). The internal auditors' role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the auditor and RO report to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

All recommendations have been investigated and where necessary procedures amended or an Action Plan implemented for future development.


Review of Effectiveness

As Accounting Officer, the Principal 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 Independent Internal Auditor;
- ~ 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 17 December 2014 and signed on its behalf by:


D Cole - Trustee

S Cartwright - Accounting Officer



Chadsmead Primary Academy

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2014**

As accounting officer of Chadsmead Primary 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. If any instances are identified after the date of this statement these will be notified to the board of trustees and the Education Funding Agency

S Cartwright - Accounting Officer

Date: 17 December 2014



Chadsmead Primary Academy

Statement of Trustees Responsibilities for the Year Ended 31 August 2014

The trustees (who act as governors of Chadsmead Primary 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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.

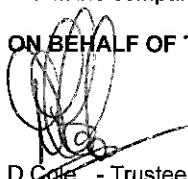
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

ON BEHALF OF THE BOARD:



D Cole - Trustee

17 December 2014

Report of the Independent Auditors to the Members of Chadsmead Primary Academy

We have audited the financial statements of Chadsmead Primary Academy for the year ended 31 August 2014 on pages eleven to twenty six. 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 set out on page eight, 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 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.

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 requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA.

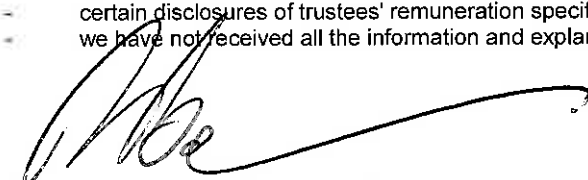
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Darren Barlow (Senior Statutory Auditor)
for and on behalf of Haines Watts
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

Date: 17 December 2014

Independent Reporting Accountant's Assurance Report on Regularity to Chadsmead Primary 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 Chadsmead Primary Academy 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 Chadsmead Primary Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chadsmead Primary 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 Chadsmead Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Chadsmead Primary Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts direction 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 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 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.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 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.



Haines Watts
Sterling House
97 Lichfield Street
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B79 7QF

Date: 17 December 2014

Chadsmead Primary Academy

**Statement of Financial Activities
for the Year Ended 31 August 2014**

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset Fund £	Total 2014 funds £	Total 2013 funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	-	3,726	-	3,726	5,112
Activities for generating funds	3	96,776	-	-	96,776	97,853
Investment income	4	274	-	-	274	153
Incoming resources from charitable activities						
Academy's educational operations	5	-	1,475,894	94,412	1,570,306	1,395,085
Total incoming resources		97,050	1,479,620	94,412	1,671,082	1,498,203
RESOURCES EXPENDED						
Charitable activities						
Academy's educational operations	7	56,712	1,330,757	71,876	1,459,345	1,471,037
Governance costs	8	350	35,627	-	35,977	43,705
Total resources expended	6	57,062	1,366,384	71,876	1,495,322	1,514,742
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS						
		39,988	123,663	22,536	175,760	(16,539)
Gross transfers between funds	18	(12,426)	(2,497)	14,923	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		27,561	110,740	37,459	175,760	(16,539)
Other recognised gains/losses						
Actuarial gains/losses on defined benefit schemes		-	(110,000)	-	(110,000)	4,000
Net movement in funds		27,561	740	37,459	65,760	(12,539)
RECONCILIATION OF FUNDS						
Total funds brought forward		13,449	(155,731)	1,428,419	1,286,137	1,298,676
TOTAL FUNDS CARRIED FORWARD		41,010	(154,991)	1,465,878	1,351,897	1,286,137

CONTINUING OPERATIONS


All incoming resources and resources expended arise from continuing activities.

Chadsmead Primary Academy

**Balance Sheet
At 31 August 2014**

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset Fund £	2014 Total funds £	2013 Total funds £
FIXED ASSETS						
Tangible assets	12	-	-	1,465,878	1,465,878	1,428,419
CURRENT ASSETS						
Debtors	13	-	77,658	-	77,658	18,434
Cash at bank		<u>44,981</u>	<u>225,235</u>	<u>-</u>	<u>270,216</u>	<u>82,034</u>
		44,981	302,893	-	347,874	100,468
CREDITORS						
Amounts falling due within one year	14	<u>(3,971)</u>	<u>(196,847)</u>	<u>-</u>	<u>(200,818)</u>	<u>(94,000)</u>
NET CURRENT ASSETS		<u>41,010</u>	<u>106,046</u>	<u>-</u>	<u>147,056</u>	<u>6,468</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		41,010	106,046	1,465,878	1,612,934	1,434,887
CREDITORS						
Amounts falling due after more than one year	15	-	(4,037)	-	(4,037)	(12,750)
PENSION LIABILITY	19	-	<u>(257,000)</u>	-	<u>(257,000)</u>	<u>(136,000)</u>
NET ASSETS		<u>41,010</u>	<u>(154,991)</u>	<u>1,465,878</u>	<u>1,351,897</u>	<u>1,286,137</u>
FUNDS	18					
Unrestricted funds:						
General fund					41,010	13,449
Restricted funds:						
Fixed Asset Fund					1,465,878	1,428,419
General Annual Grant					94,586	(19,731)
Other grants					7,423	-
Pension fund					<u>(257,000)</u>	<u>(136,000)</u>
					<u>1,310,887</u>	<u>1,272,688</u>
TOTAL FUNDS					<u>1,351,897</u>	<u>1,286,137</u>

The financial statements were approved by the Board of Trustees on 17 December 2014 and were signed on its behalf by:



D. Cole - Trustee

Chadsmead Primary Academy**Cash Flow Statement
for the Year Ended 31 August 2014**

		2014 £	2013 £
Net cash inflow from operating activities	Notes 1	211,546	35,047
Returns on investments and servicing of finance	2	(8,441)	(17,886)
Capital expenditure and financial investment	2	(14,923)	(92,010)
		<u> </u>	<u> </u>
Increase/(decrease) in cash in the period		<u>188,182</u>	<u>(74,849)</u>

**Reconciliation of net cash flow to movement in
net debt**

3

Increase/(decrease) in cash in the period	<u>188,182</u>	<u>(74,849)</u>
Change in net debt resulting from cash flows	<u>188,182</u>	<u>(74,849)</u>
Movement in net debt in the period	188,182	(74,849)
Net debt at 1 September	<u>82,034</u>	<u>156,883</u>
Net debt at 31 August	<u>270,216</u>	<u>82,034</u>

Notes to the Cash Flow Statement
for the Year Ended 31 August 2014

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

	2014 £	2013 £
Net incoming\outgoing resources	175,760	(16,539)
Depreciation charges	71,876	70,622
Capital grants from DfE/EFA	(94,412)	(3,260)
Interest received	(274)	(153)
Interest paid	-	604
FRS17 pension finance income	(12,000)	-
Increase in debtors	(59,222)	(4,806)
Increase/(decrease) in creditors	106,818	(20,421)
Difference between pension charge and cash contributions	23,000	9,000
Net cash inflow from operating activities	211,546	35,047

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	274	153
Interest paid	-	(604)
Capital element of loan repayments	(8,715)	(17,435)
Net cash outflow for returns on investments and servicing of finance	(8,441)	(17,886)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(109,335)	(95,270)
Capital grants from DfE/EFA	94,412	3,260
Net cash outflow for capital expenditure and financial investment	(14,923)	(92,010)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.13 £	Cash flow £	At 31.8.14 £
Net cash:			
Cash at bank	82,034	188,182	270,216
Debt:			
Debts falling due within one year	-	(8,715)	(8,715)
Debts falling due after one year	-	8,715	8,715
	-	-	-
Total	82,034	188,182	270,216

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as amended for the revaluation of certain assets in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency (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 governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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 a 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 that the goods have been provided or on completion of the service.

1. ACCOUNTING POLICIES - continued

Resources expended

All expenditure is recognised in the period in which the liability is incurred and has been classified under headings that aggregate all costs related to the 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.

Charitable activities

These are cost 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.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £500 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.

Long leasehold assets have been valued on the period based upon information available.

Depreciation

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:

Long leasehold buildings	20 years straight line
Fixtures, fittings and equipment	15% Reducing Balance
ICT equipment	15% Reducing Balance

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 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 funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 19 the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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

As described in note 19 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

2. VOLUNTARY INCOME

	2014	2013
	£	£
Donations	<u>3,726</u>	<u>5,112</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2014	2013
	£	£
Trips and other sponsorship related items	10,978	6,140
Hire of facilities	7,784	5,699
Catering income	74,367	38,217
Other income	<u>3,647</u>	<u>47,797</u>
	<u>96,776</u>	<u>97,853</u>

4. INVESTMENT INCOME

	2014	2013
	£	£
Deposit account interest	<u>274</u>	<u>153</u>

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

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	1,273,030	1,273,030	1,239,413
Other EFA grant	-	105,558	105,558	73,857
	-	1,378,588	1,378,588	1,313,270
DfE/EFA capital grant				
EFA Capital Grant	-	94,412	94,412	3,260
Other government grant				
School standards Funds	-	97,306	97,306	78,555
	-	1,570,306	1,570,306	1,395,085

6. RESOURCES EXPENDED

	Staff costs £	Non-pay expenditure Premises £	Other costs £	2014 Total £	2013 Total £
Charitable activities					
Academy's educational operations					
Direct costs	1,108,431	-	183,935	1,292,366	1,288,510
Allocated support costs	-	134,727	32,252	166,979	182,527
	1,108,431	134,727	216,187	1,459,345	1,471,037
Governance costs including allocated support costs	-	-	35,977	35,977	43,705
	1,108,431	134,727	252,164	1,495,322	1,514,742

Net resources are stated after charging/(crediting):

	2014 £	2013 £
Auditors' remuneration	7,224	5,500
Depreciation - owned assets	71,876	70,622

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

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Direct costs				
Teaching and educational support staff	-	1,108,431	1,108,431	1,159,578
Technology costs	-	11,685	11,685	9,447
Educational supplies	15,143	79,874	95,017	56,582
Staff development	-	6,580	6,580	11,670
Goods and services	318	43,934	44,252	50,629
Other direct costs	-	-	-	604
	<u>15,461</u>	<u>1,250,504</u>	<u>1,265,965</u>	<u>1,288,510</u>
Allocated support costs				
Depreciation	-	71,876	71,876	70,622
Maintenance of premises and equipment	50	56,734	56,784	55,323
Energy costs	-	23,519	23,519	22,043
Catering	41,201	-	41,201	34,539
	<u>41,251</u>	<u>152,129</u>	<u>193,380</u>	<u>182,527</u>
	<u>56,712</u>	<u>1,402,633</u>	<u>1,459,345</u>	<u>1,471,037</u>

8. GOVERNANCE COSTS

	2014 £	2013 £
Auditors' remuneration	7,224	5,500
Support Costs	<u>28,753</u>	<u>38,205</u>
	<u>35,977</u>	<u>43,705</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

Principal and staff trustees only received remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. The value of trustees' remuneration was as follows:

S Cartwright	£60-£65,000	(2013: £nil)
B Parker	£35-40,000	(2013: £30-35,000)
T Sayer	£45-50,000	(2013: £nil)
S Vaux	£20-25,000	(2013: £nil)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2014, nor for the year ended 31 August 2013.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014**10. STAFF COSTS**

	2014 £	2013 £
Wages and salaries	877,751	966,919
Social security costs	46,120	64,595
Other pension costs	<u>97,399</u>	<u>121,038</u>
	1,021,070	1,152,552
Supply teacher costs	104,890	42,093
Compensation payments	<u>(15,377)</u>	<u>(35,067)</u>
	<u>1,110,783</u>	<u>1,159,578</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:

	2014	2013
Teachers	13	13
Administration and support	27	27
Management	<u>6</u>	<u>6</u>
	<u>46</u>	<u>46</u>

One employee received emoluments in excess of £60,000, this being in the banding £60 - £65,000.

11. 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 £5m on any one claim and the cost for the year ended 31 August 2014 was £1,300 (2013: £1,330).

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

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2013	1,373,823	31,969	112,857	1,518,649
Additions	<u>92,190</u>	<u>9,466</u>	<u>7,679</u>	<u>109,335</u>
At 31 August 2014	<u>1,466,013</u>	<u>41,435</u>	<u>120,536</u>	<u>1,627,984</u>
DEPRECIATION				
At 1 September 2013	52,409	9,090	28,731	90,230
Charge for year	<u>54,424</u>	<u>4,088</u>	<u>13,364</u>	<u>71,876</u>
At 31 August 2014	<u>106,833</u>	<u>13,178</u>	<u>42,095</u>	<u>162,106</u>
NET BOOK VALUE				
At 31 August 2014	<u>1,359,180</u>	<u>28,257</u>	<u>78,441</u>	<u>1,465,878</u>
At 31 August 2013	<u>1,321,414</u>	<u>22,879</u>	<u>84,126</u>	<u>1,428,419</u>

The property transferred on conversion has been valued by DTZ on the "value to the business" model. The valuers have calculated a depreciated replacement cost - they have considered the cost of replacing property with a modern equivalent and then adjusted for any deterioration and any relevant obsolescence and optimisation.

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2014**

12. TANGIBLE FIXED ASSETS - continued

Land and buildings were valued at 31 August 2012.

The total value of non depreciable land included in the above valuation is £296,026 (2013: £296,026).

Land and buildings are leased on a 125 year peppercorn rent and are treated as capital items in accordance with accounting standards.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Other debtors	10,538	18,434
Prepayments and accrued income	<u>67,120</u>	<u>-</u>
	<u>77,658</u>	<u>18,434</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Other loans (see note 16)	8,715	8,715
Trade creditors	3,970	13,988
Social security and other taxes	30,936	34,621
Accruals and deferred income	<u>157,197</u>	<u>36,676</u>
	<u>200,818</u>	<u>94,000</u>

Deferred income of £50,952 (2013: £23,185) is included within Accruals and deferred income above.

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

	2014 £	2013 £
Other loans (see note 16)	<u>4,037</u>	<u>12,750</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2014 £	2013 £
Amounts falling due within one year on demand:		
Other loans	<u>8,715</u>	<u>8,715</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>4,037</u>	<u>12,750</u>

17. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one 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.

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

18. MOVEMENT IN FUNDS

	At 1.9.13 £	Net movement in funds £	Transfers between funds £	At 31.8.14 £
Unrestricted funds				
General fund	13,449	39,987	(12,426)	41,010
Restricted funds				
Fixed Asset Fund	1,428,419	22,536	14,923	1,465,878
General Annual Grant	921	124,252	(17,835)	107,338
Other grants	816	(15)	6,622	7,423
Pension fund	(136,000)	(121,000)	-	(257,000)
Loans on conversion	(21,468)	-	8,716	(12,752)
	1,272,688	25,773	12,426	1,310,887
TOTAL FUNDS	<u>1,286,137</u>	<u>65,760</u>	<u>-</u>	<u>1,351,897</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	86,515	(56,954)	-	29,561
Private sponsorship	10,535	(10,535)	-	-
	97,050	(67,489)	-	29,561
Restricted funds				
Private donations	3,726	(3,726)	-	-
Fixed Asset Fund	94,412	(71,876)	-	22,536
General Annual Grant	1,273,030	(1,138,352)	-	134,678
Other EFA grant	105,558	(105,558)	-	-
Other grants	97,306	(97,321)	-	(15)
Pension fund	-	(11,000)	(110,000)	(121,000)
	1,574,032	(1,427,833)	(110,000)	36,199
TOTAL FUNDS	<u>1,671,082</u>	<u>(1,495,322)</u>	<u>(110,000)</u>	<u>65,760</u>

19. 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 Hymans Robertson LLP. Both are defined benefit schemes.

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

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

19. 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) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS. The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

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

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

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

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

Local government pension scheme

The 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 method. The total contribution made for the period ended 31 August 2014 was £47,000 (2013: £38,000), of which employer's contributions totalled £36,000 and employee's contributions totalled £11,000. The agreed contribution rates for future years are 14.5% for employers and 6.7% for employees.

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Fair value of plan assets	245,000	172,000
Present value of funded liabilities	<u>(502,000)</u>	<u>(308,000)</u>
Net (Liabilities)	<u>(257,000)</u>	<u>(136,000)</u>

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

	Defined benefit pension plans	
	2014	2013
	£	£
Current service cost	44,000	34,000
Interest cost	15,000	11,000
Expected return	<u>(12,000)</u>	<u>(7,000)</u>
	<u>47,000</u>	<u>38,000</u>
Actual return on plan assets	<u>29,000</u>	<u>19,000</u>

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

	Defined benefit pension plans	
	2014	2013
	£	£
Defined benefit obligation	(308,000)	(245,000)
Current service cost	(44,000)	(34,000)
Contributions by scheme participants	(11,000)	(10,000)
Interest cost	(15,000)	(11,000)
Actuarial losses/(gains)	(127,000)	(8,000)
Benefits paid	<u>3,000</u>	<u>-</u>
	<u>(502,000)</u>	<u>(308,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Fair value of scheme assets	172,000	114,000
Contributions by employer	36,000	29,000
Contributions by scheme participants	11,000	10,000
Expected return	12,000	7,000
Actuarial gains/(losses)	17,000	12,000
Benefits paid	<u>(3,000)</u>	<u>-</u>
	<u>245,000</u>	<u>172,000</u>

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2014	2013
Equities	76%	77%
Bonds	13%	12%
Property	8%	8%
Cash	3%	3%

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

	2014	2013
Discount rate	3.7%	4.6%
Expected return on scheme assets	5.6%	6%
Future salary increases	4.5%	5.1%
Future pension increases	2.7%	2.8%

Mortality rates

The average life expectancies at age 65 are summarised below:

Current pensioners	22.1 years	24.3 years
Future pensioners	24.3 years	26.6 years

Amounts for the current and previous two periods are as follows:

	2014	2013	2012
	£	£	£
Defined benefit pension plans			
Defined benefit obligation	(502,000)	(308,000)	(245,000)
Fair value of scheme assets	245,000	172,000	114,000
Deficit	(257,000)	(136,000)	(131,000)
Experience adjustments on scheme liabilities	(127,000)	(8,000)	(18,000)
Experience adjustments on scheme assets	17,000	12,000	(2,000)

	2014	2013
	£	£
Split of investments by category		
Equities	186,000	132,000
Bonds	32,000	21,000
Property	20,000	14,000
Cash	7,000	5,000
	<u>245,000</u>	<u>172,000</u>