REGISTERED COMPANY NUMBER: 07641673 (England and Wales)

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 FOR PARKFIELD EDUCATION LIMITED

Carter & Coley Limited
Chartered Accountants and Statutory Auditor
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

PARKFIELD EDUCATION LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 8
Governance Statement	9 to 11
Statement on Regularity, Propriety and Compliance	12
Statement of Trustees Responsibilities	13
Report of the Independent Auditors	14 to 15
Independent Accountant's Report on Regularity	16 to 17
Statement of Financial Activities	18 to 19
Balance Sheet	20 to 21
Cash Flow Statement	22
Notes to the Financial Statements	23 to 44

PARKFIELD EDUCATION LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014

MEMBERS	T Conaghan A Sen Gupta A Taylor-Loveless
TRUSTEES	A L Taylor-Loveless E W Forbes (resigned 7/11/2013) S E Hanson (resigned 16/1/2014) D Cattani (appointed 7/11/2013) (resigned 3/10/2014) * M L Clarkson (appointed 7/11/2013) * C McKinnon (appointed 7/11/2013) M F Pittori (appointed 7/11/2013) K L Reeves (appointed 7/11/2013) A Sen Gupta (appointed 7/11/2013) * N A Shawyer (appointed 7/11/2013) I A Terry (appointed 7/11/2013) P H Williamson (appointed 7/11/2013) * T Conaghan (appointed 7/11/2013) * J M Seaward (appointed 7/11/2013) *

* members of the finance and audit committee

REGISTERED OFFICE	Dorset House 20-22 Christchurch Road Bournemouth Dorset BH1 3NL
REGISTERED COMPANY NUMBER	07641673 (England and Wales)
AUDITORS	Carter & Coley Limited Chartered Accountants and Statutory Auditor 3 Durrant Road Bournemouth Dorset BH2 6NE

PARKFIELD EDUCATION LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014

BANKERS	Lloyds Banking Group plc 45-47 Old Christchurch Road Bournemouth Dorset BH1 1ED

SENIOR LEADERSHIP TEAM

Principal	T Conaghan
Assistant Principal	M Thurstan
Assistant Principal	D Sears
Business Manager	C Dooks
Pastoral/Operations Manager	S Hanson

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a Governors' report, and a directors' report under company law.

The Trust operates an all-through academy for students aged 4 to 19 serving a catchment area of Bournemouth and Poole. In due course it will have a student capacity of 784 when full. At the school census taken on 14th May 2014 there was a school roll of 296.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Academy Trust, Parkfield Education Limited, is a company limited by guarantee and an exempt charity. The Charitable Company was incorporated on 21 May 2011. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees are also Directors and Governors and the terms are used synonymously in these financial statements.

Details of the Governors who served during the year are included in the Reference and Administrative Details.

Members' liability

Each member of the Academy Trust 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

For the period 1 September 2013 to 31 August 2014 professional indemnity insurance was provided through Chubb Insurance Company.

Principal activities

The principal object is to advance, for the public benefit, education by establishing, maintaining, carrying on, managing and developing an all through school offering a broad and balanced curriculum. To this effect the Parkfield School opened in September 2013.

Recruitment and appointment of new governors

Governors shall be appointed or elected, as set out in the school's Articles of Association and Funding Agreement.

The Principal shall be treated for all purposes as being an ex officio Governor.

Governors are usually appointed for a four year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board will give consideration to the skills and experience of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new governors

When new Governors are to be appointed they will be given a tour of the school and encouraged to meet with parents, students, staff and the existing Governors. New Governors will be provided access to all documents required to enable them to undertake their roles as Governors. It is the intention that they will attend professional courses to allow them to efficiently fulfil their duties.

Organisational structure

Parkfield School has a Governing Body, the composition of which is set out in the Academy's Articles of Association.

Upon opening of the school, the Academy set up five main Governor Committees: Finance and Audit, Staffing, Curriculum, Premises and Student Support to which Governors were appointed. The Academy also calls on members of the Governing Body to sit on other Committees/Appeals panels on an ad hoc basis should they be required. The Governing Body and its Committees have Terms of Reference which will be reviewed annually and contain details of meeting dates, compositions, responsibilities, delegated authorities and matters reserved for the Governing Body itself.

Related parties

The Academy Trust is not part of a wider network such as a soft federation, whereby the relationship involved impacts on the operating policies. The Academy has not established any relationships with related parties and any other charities/organisations with which it cooperates in the pursuit of charitable activities such that they have influence over operational policies.

Risk management

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

Parkfield Education Limited has been set up by parents, many of whom are local professionals who want to drive up standards and the quality of education in the Bournemouth and Poole area. The aim of Parkfield Education Limited is to increase the amount of school provision in the Bournemouth and Poole areas and bring alternative curriculum models into the local education system.

The overall aim of Parkfield School is to support the development of the whole child and to do this within an environment which nurtures talent and potential. In line with our motto: "to nurture, inspire and enable", we are ensuring that children achieve the best outcomes they can so that they grow and develop into confident young people ready to move on into further or higher education, training or employment.

The ethos of Parkfield School is simple - to nurture, inspire and enable. Parkfield are blending a primary curriculum based on Montessori principles with the International Primary Curriculum in the middle years with a secondary education provided through the International Baccalaureate programme. This is enabling students to find themselves, equipping them with the knowledge, skills and understanding they will need to find their way in our modern society.

OBJECTIVES AND ACTIVITIES

Objectives, strategies and activities

Opened on 1 September 2013, Parkfield School is to be a 784-place (56 pupils in 14 year groups), all-through non-selective Free School serving both Bournemouth and Poole.

Parkfield School is to be an outstanding all-through school where students are nurtured, inspired and enabled within a secure and positive environment, helping them grow into rounded individuals who are prepared for all aspects of life in the challenging and changing global world.

Our commitment is to:
- provide a supportive environment and community that promotes development and learning
- provide an outstanding education for all, regardless of their background where learning and teaching styles are blended to provide for a mix of practical experience and intellectual freedom coupled with a supportive structure and academic excellence
- promote and instil a sense of belonging and purpose that allows students to understand their place and responsibility in their immediate society and also wider world
- ensure that every student receives the guidance, support and inspiration to be the best they can be and realise their full potential
- engage with parents and carers to promote collaborative support of our students' experience of education and school community

Our expectations are that:
- students will demonstrate the utmost respect for themselves, their fellow students, school and the wider community and those forming part of it
- the discipline will be good with high levels of behaviour, commitment and participation. All members of Parkfield School will show a willingness to participate in a wide range of school and community activities
- parents and carers will support their children and engage with their education. Parents and carers will engage with the school and its staff to promote excellence in the overall educational experience of their children.

Public benefit

The Academy Trust Governors confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In its first year of operation, the total students for the year ended 31st August 2014 numbered 296 with the Academy having vacancies in the secondary year groups but having waiting lists for some primary year groups. New Reception and Year 7 year groups established for September 2014 were oversubscribed. The whole school attendance figure for the school year was 94.8%.

As a School we have a comprehensive Strategic Development Plan focussed on raising standards and improving the learning outcomes and opportunities for all our students.

Key priorities include

- Raising student achievement;
- High quality Teaching and Learning, including curriculum specialisms
- Promoting positive attitudes, behaviours and safety for all;
- Deploying resources safely, efficiently and effectively for all.

The progress of learners across all Key Stages is closely monitored and targeted intervention set in place to ensure that students have the best opportunities and support to achieve success. Parkfield School challenges all students to make at least expected and often more than the expected progress relative to their starting points.

High quality teaching and learning and intervention is being embedded to provide high quality learning experiences for all students, promoting excellent levels of resilience, confidence and independence in our students. Marking and feedback has been a key developmental are within teaching and learning. The rigour and validity of assessment data is an area for.

The behaviour management system is becoming embedded across the School with positive attitudes and behaviours promoted and expected by all.

Resources are deployed safely, efficiently and effectively for all and this enriches the opportunities and learning experiences for students.
We have a broad curriculum that has international mindedness at its core for all learners. The curriculum is based on Montessori in the early years, The International Primary Curriculum at KS2 and the International Baccalaureate in the Secondary sector of the school. A rigorous cycle of monitoring, evaluation and review is being developed, including the use of independent assessors, to ensure that we have a deep and accurate understanding of the School's performance and of staff and students' skills and attributes.

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

ACHIEVEMENT AND PERFORMANCE

Key financial performance indicators

Some Key performance indicators used by the Governors to assess the performance of the school are:

- Ofsted inspection outcomes form part of the Strategic Development Plan
- DfE inspection outcomes form part of the Strategic Development Plan
- A break even budget is agreed for each academic year
- Performance against budget
- Maintaining staff costs within budget
- The amount of funding received per pupil
- Ensuring the school operates at capacity
- Funding is spent in accordance with its designated purposes
- Policies and procedures are fit for purpose and a timetable for reviewing them is followed
- Key filing and reporting deadlines are met
- Pupil attendance data is regularly assessed
- Pupil performance data is regularly assessed and independently verified
- Staff and Governors are continually being developed
- Complaints and grievances are dealt with swiftly and relevant outcomes implemented
- Disciplinary meetings are dealt with swiftly and relevant outcomes implemented
- Stakeholder (including pupils, parents, staff, governors and outside bodies) feedback is proactively sought and relevant outcomes form part of the Strategic Development Plan
- Stakeholder welfare is regularly assessed and relevant outcomes form part of the Strategic Development Plan

FINANCIAL REVIEW

Reserves policy

The school does not plan to hold large reserves. It is intended that its grant funding should, in general terms, be expended each year to support the delivery of education provision to its students.

Principal funding sources

The Academy's income is obtained from the DfE via the EFA in the form of the General Annual Grant (GAG), the use of which is restricted to particular purposes. The grants received from the DfE for the period ended 31st August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities. The Academy also receives grants from the DfE for fixed assets, IT provision and a building project.

The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Investment policy and objectives

The Articles of Association list the powers that the school has with regards to investments. The school is still maturing as an organisation in respect of developing its strategy for the appropriate investment of any surplus funds accrued but taking account of the need to maintain cash flow. The current economic conditions necessarily mean that investment returns from the types of account available are limited in scope, however the Trustees will develop a more sophisticated Investment Policy as and when required.

FUTURE DEVELOPMENTS

Parkfield School opened for the first time in September 2013 and will move to a new and permanent site from September 2015. This accommodation was purchased December 2013. Work on the design, development and move are progressing well.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Governors have assessed the major risks to which the school is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the school, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in operational areas of, for example finance, teaching, health and safety, bullying and school trips. A programme of Committees and financial internal controls enables Governors to minimise risk. Where risk cannot be effectively managed a comprehensive insurance policy exists.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors keep under review the strategic risks facing Parkfield Education Limited and the programmes help to manage or mitigate the risk. Amongst the most important strategic risks at present are:
- the challenges associated with any new school starting up such as uncertain pupil numbers, uncertain funding allocation and uncertain costs. The Governors have managed this well and achieved a surplus for the 2013/14 year.
- the challenges with moving to a new and permanent site for the 2015/16 year and the uncertain pupil numbers, uncertain funding allocation and uncertain costs. The Governors are constantly reviewing and planning for the move now.

The Governors have a three year plan which shows a year on year surplus and have determined that the school's financial situation is robust and stable.

AUDITORS

The auditors, Carter & Coley Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 11 December 2014 and signed on its behalf by:

A Sen Gupta - Trustee

Scope of Responsibility
As trustees, we acknowledge we have overall responsibility for ensuring that Parkfield Education Limited 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 Parkfield Education Limited 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 Governors and in the Statement of Trustees Responsibilities.

The Full Governing Body has formally met 5 times during the year. Attendance during the year at the Governor meetings was as follows:

	Meeting attended	Out of a possible
A Sen Gupta (Chair of Governors)	5	5
A Taylor-Loveless	3	5
J Seaward	4	5
T Welstead	4	5
M Pittori	3	5
C McKinnon	4	5
N Shawyer	5	5
K Reeves	5	5
I Terry	3	5
M Clarkson	5	5
P Williamson (Staff Governor)	5	5
D Cattani (Staff Governor)	3	5
T Conaghan (Principal & Accounting Officer)	5	5
T Spotswood (resigned Dec 2013)	0	1
I Shebani (resigned March 2014)	2	3
L Ainley (resigned March 2014)	3	3

Governors are working hard to improve their knowledge of the school. They are paying attention to the skills sets contained within the Governing body and will actively recruit for particular skills when there are vacancies. A major challenge last year was to ensure the school opened on time with a smooth transition for the children and staff.

DFE monitoring visits November 2013 and June 2014 included a review of Governance. Chair of Governors self-evaluation was carried out by the FGB July 2014.

From DFE report June 2014:

The school is supported by an effective Governing Body that is working hard to support the school's progress and strategic development as well as to hold leaders and managers to account.
- Leaders and Governors complete a formal written self-evaluation of the progress made in the first year of operation and complete the draft School Improvement Plan, drawing on its conclusions
- Governors move as quickly as is feasible to a slimmer system of sub-committees, to avoid too many meetings;
- Work towards reducing external exclusions wherever this does not compromise the maintenance of high standards of behaviour.

The Governors are continually self-evaluating and implementing changes to committee structures and memberships. There was a further DFE monitoring visit in November 2014. Governors have reviewed their structure and made changes to schedule of meetings and committee membership

The Finance and Audit Committee is a sub-committee of the main board of Governors. Its purpose is to support the Governors in their duty to oversee the effective financial management of the Academy including reviewing the annual Academy budget, monitoring the income and the expenditure, ensuring the school operates within the Academies Financial Handbook and the funding agreement and reporting all significant financial matters to the Board of Governors. During the period 1st September 2013 to 31st August 2014 Governors monitored the funding income allocation from the EFA and the high costs of maintaining the temporary accommodation.

Attendance at meetings in the year was

	Meeting attended	Out of a possible
A Sen Gupta (Chair of Governors)	5	5
J Seaward	4	5
T Welstead	2	5
M Clarkson (Chair)	5	5
P Williamson (Staff Governor)	5	5
D Cattani (Staff Governor)	5	5
T Conaghan (Principal & Accounting Officer)	4	5

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 Parkfield Education Limited 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.

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 Governors
- Regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined asset purchasing guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed the Finance and Audit Committee to carry out the role of Responsible Officer (RO), who will give advice at least termly on financial matters and perform a range of checks on the Academy Trust's financial systems. The RO reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

Review of Effectiveness
As Accounting Officer, the 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 external auditor
- the Financial Management and Governance Self-assessment process
- the work of the Business Manager within the Academy Trust who following the school opening has responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the board of trustees on 11 December 2014 and signed on its behalf by:

A Sen Gupta - Trustee

T Conaghan - Accounting Officer

PARKFIELD EDUCATION LIMITED

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014

As accounting officer of Parkfield Education Limited 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 the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

The company has yet to implement an internal audit function, although this is currently being addressed as a matter of urgency and will be in place for the Spring Term.

T Conaghan - Accounting Officer

11 December 2014

PARKFIELD EDUCATION LIMITED

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2014

The trustees (who act as governors of Parkfield Education Limited 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 UK Accounting Standard 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.
Approved by order of the board of trustees on 11 December 2014 and signed on it's behalf by:

A Sen Gupta

A Sen Gupta - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PARKFIELD EDUCATION LIMITED

We have audited the financial statements of Parkfield Education Limited for the year ended 31 August 2014 on pages eighteen to forty four. 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 to 2014 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 thirteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements 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 to 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PARKFIELD EDUCATION LIMITED

Matters on which we are required to report by exception

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

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

Andrew A Clark FCA (Senior Statutory Auditor)
for and on behalf of Carter & Coley Limited
Chartered Accountants and Statutory Auditor
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

Date: 11 DEC 2014

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PARKFIELD EDUCATION LIMITED 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 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Parkfield Education Limited 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 Parkfield Education Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Parkfield Education Limited and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Parkfield Education Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Parkfield Education Limited's accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of Parkfield Education Limited's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 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 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

The company has yet to implement a system of internal audit as required by Section 3.5 of the Academies Financial Handbook 2013.

Except for the above, 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 June 2013 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Carter & Coley Limited
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

Date: 11 DEC 2014

PARKFIELD EDUCATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted fund £	Restricted funds £	Year Ended 31/8/14 Total funds £	Period 1/6/13 to 31/8/13 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	-	625	625	-
Activities for generating funds	3	33,205	-	33,205	-
Investment income	4	332	-	332	-
Incoming resources from charitable activities					
Academy's educational operations	5	-	6,141,893	6,141,893	434,739
Total incoming resources		33,537	6,142,518	6,176,055	434,739
RESOURCES EXPENDED					
Charitable activities					
Academy's educational operations	7	24,658	2,386,713	2,411,371	62,514
Governance costs	8	-	12,090	12,090	1,500
Total resources expended	6	24,658	2,398,803	2,423,461	64,014
NET INCOMING/(OUTGOING) RESOURCES		8,879	3,743,715	3,752,594	370,725
Other recognised gains/losses					
Actuarial gains/losses on defined benefit schemes		-	(10,000)	(10,000)	-
Net movement in funds		8,879	3,733,715	3,742,594	370,725
RECONCILIATION OF FUNDS					
Total funds brought forward		-	462,898	462,898	92,173
TOTAL FUNDS CARRIED FORWARD		8,879	4,196,613	4,205,492	462,898

The notes form part of these financial statements

continued...

STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

PARKFIELD EDUCATION LIMITED

BALANCE SHEET
AT 31 AUGUST 2014

	Notes	Unrestricted fund £	Restricted funds £	2014 Total funds £	2013 Total funds £
FIXED ASSETS					
Tangible assets	12	-	4,035,998	4,035,998	195,352
CURRENT ASSETS					
Debtors	13	3,100	161,509	164,609	551,322
Cash at bank		7,595	304,898	312,493	145,514
		10,695	466,407	477,102	696,836
CREDITORS					
Amounts falling due within one year	14	(1,816)	(288,792)	(290,608)	(429,290)
NET CURRENT ASSETS		8,879	177,615	186,494	267,546
TOTAL ASSETS LESS CURRENT LIABILITIES		8,879	4,213,613	4,222,492	462,898
PENSION LIABILITY	17	-	(17,000)	(17,000)	-
NET ASSETS		8,879	4,196,613	4,205,492	462,898
FUNDS	16				
Unrestricted funds:					
General fund				8,879	-
Restricted funds:					
Restricted fixed asset fund				4,035,998	195,352
Pension fund				(17,000)	-
Restricted general fund				162,783	51,882
Capital fund				14,832	215,664
				4,196,613	462,898
TOTAL FUNDS				4,205,492	462,898

The notes form part of these financial statements

continued...

The financial statements were approved by the Board of Trustees on 11 December 2014 and were signed on its behalf by:

A Sen Gupta -Trustee

M L Clarkson -Trustee

PARKFIELD EDUCATION LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Year Ended 31/8/14 £	Period 1/6/13 to 31/8/13 £
Net cash inflow/(outflow) from operating activities	20	363,349	(134,016)
Returns on investments and servicing of finance	21	332	-
Capital expenditure and financial investment	21	(196,702)	215,664
Increase in cash in the period		166,979	81,648

Reconciliation of net cash flow to movement in net debt	22		
Increase in cash in the period		166,979	81,648
Change in net debt resulting from cash flows		166,979	81,648
Movement in net debt in the period		166,979	81,648
Net debt at 1 September		145,514	63,866
Net debt at 31 August		312,493	145,514

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention, the Companies Act 2006 , the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

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.

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

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

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

1. ACCOUNTING POLICIES - continued

Resources expended
Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

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

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

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- in accordance with the term of the lease
Freehold land	- Nil
Freehold buildings	- 2% on cost
Equipment	- 15% on cost
Fixtures and fittings	- 10% on cost
Computer equipment	- 25% on cost

Individual assets costing £500 or more and groups of 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.

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.

1. ACCOUNTING POLICIES - continued

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.

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.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
Academy staff are members of one of two defined benefit schemes.

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 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 model. The TPS is a multi employer scheme and the Academy is unable to identify its share of underlying net 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 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.

2. VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/14 Total funds £	Period 1/6/13 to 31/8/13 Total funds £
Donations	-	625	625	-

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/14 Total funds £	Period 1/6/13 to 31/8/13 Total funds £
After school club	5,594	-	5,594	-
Catering income	17,119	-	17,119	-
Trip income	7,798	-	7,798	-
Other	2,694	-	2,694	-
	33,205	-	33,205	-

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/14 Total funds £	Period 1/6/13 to 31/8/13 Total funds £
Deposit account interest	332	-	332	-

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

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/14 Total funds £	Period 1/6/13 to 31/8/13 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	1,379,884	1,379,884	-
Start up grant	-	251,000	251,000	-
Other DfE/EFA grants	-	184,315	184,315	40,673
	-	1,815,199	1,815,199	40,673
DfE/EFA capital grant				
Capital grants	-	4,317,899	4,317,899	394,066
Other government grant				
Other government grants	-	8,795	8,795	-
	-	6,141,893	6,141,893	434,739

6. RESOURCES EXPENDED

	Staff costs	Non-pay expenditure Premises	Non-pay expenditure Other costs	Year Ended 31/8/14 Total	Period 1/6/13 to 31/8/13 Total
	£	£	£	£	£
Charitable activities					
Academies educational operations					
Direct costs	1,055,927	-	79,421	1,135,348	-
Allocated support costs	146,961	847,660	281,402	1,276,023	62,514
	1,202,888	847,660	360,823	2,411,371	62,514
Governance costs including allocated support costs	-	-	12,090	12,090	1,500
	1,202,888	847,660	372,913	2,423,461	64,014

Net resources are stated after charging/(crediting):

	Year Ended 31/8/14	Period 1/6/13 to 31/8/13
	£	£
Auditors' remuneration	6,500	1,500
Auditors' remuneration for non-audit work	3,450	-
Depreciation - owned assets	673,955	-
Hire of plant and machinery	11,984	-

7. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/14 Total funds £	Period 1/6/13 to 31/8/13 Total funds £
Direct costs - academy's educational operations				
Teaching and educational support staff	-	1,055,927	1,055,927	-
Educational supplies	6,967	57,612	64,579	-
Staff development	-	5,667	5,667	-
Other costs	-	9,175	9,175	-
	6,967	1,128,381	1,135,348	-
Allocated support costs - academy's educational operations				
Support staff costs	-	146,961	146,961	30,805
Depreciation	-	673,955	673,955	-
Technology costs	-	31,985	31,985	3,108
HR and professional fees	-	23,152	23,152	12,760
Maintenance of premises and equipment	-	19,273	19,273	-
Cleaning	-	1,663	1,663	-
Rent and rates	-	251,000	251,000	-
Energy costs	-	30,098	30,098	-
Insurance	-	27,797	27,797	-
Other support costs	-	30,498	30,498	15,841
Catering	17,691	10,966	28,657	-
LGPS investment returns	-	(1,000)	(1,000)	-
Other operating leases	-	11,984	11,984	-
	17,691	1,258,332	1,276,023	62,514
	24,658	2,386,713	2,411,371	62,514

8. GOVERNANCE COSTS

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/14 Total funds £	Period 1/6/13 to 31/8/13 Total funds £
Auditors' remuneration	-	6,500	6,500	1,500
Auditors' remuneration for non-audit work	-	3,450	3,450	-
Professional fees	-	2,140	2,140	-
	-	12,090	12,090	1,500

9. TRUSTEES' REMUNERATION AND BENEFITS

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration (in bands of £5,000) was as follows:

	2014	2013 (annualised)
T Conaghan	**£80,001 - £85,000**	£65,001 - £70,000
D Cattani	**£30,001 - £35,000**	-
P Williamson	**£25,001 - £30,000**	-

Trustees' expenses

Trustees received reimbursement of travel and subsistence costs and expenses paid on behalf of the school of £1,289 (2013: £4,997) during the period.

10. STAFF COSTS

	Year Ended 31/8/14 £	Period 1/6/13 to 31/8/13 £
Wages and salaries	978,706	25,488
Social security costs	70,816	2,333
Other pension costs	135,933	2,957
	1,185,455	30,778
Supply teacher costs	17,433	-
Benefits in kind	-	27
	1,202,888	30,805

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

	Year Ended 31/8/14	Period 1/6/13 to 31/8/13
Management	4	1
Teachers	15	-
Educational support	11	-
Administration and support	5	1
	35	2

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

	Year Ended 31/8/14	Period 1/6/13 to 31/8/13
£60,001 - £70,000	-	1
£80,001 - £90,000	1	-
	1	1

The previous year amounts were annualised from the emoluments paid in the period.

10. STAFF COSTS

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2014 pension contributions for this employee amounted to £11,712 (2013: £2,383 in three months).

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 £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,140 (2013: £Nil). The cost of this insurance is included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Equipment £
COST			
At 1 September 2013	-	194,091	1,261
Additions	3,000,000	909,021	105,858
At 31 August 2014	3,000,000	1,103,112	107,119
DEPRECIATION			
Charge for year	-	551,556	16,068
NET BOOK VALUE			
At 31 August 2014	3,000,000	551,556	91,051
At 31 August 2013	-	194,091	1,261

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2013	-	-	195,352
Additions	123,998	375,724	4,514,601
At 31 August 2014	123,998	375,724	4,709,953
DEPRECIATION			
Charge for year	12,400	93,931	673,955
NET BOOK VALUE			
At 31 August 2014	111,598	281,793	4,035,998
At 31 August 2013	-	-	195,352

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Other debtors	815	-
VAT	39,673	103,397
Prepayments and accrued income	124,121	447,925
	164,609	551,322

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	38,376	306,668
Social security and other taxes	21,047	2,578
Pension control	14,872	1,363
Accruals and deferred income	216,313	118,681
	290,608	429,290

Deferred income

	2014
Deferred income at 1 September 2013	-
Resources deferred in the year	**58,006**
Amounts released from previous years	-
Deferred income at 31 August 2014	**58,006**

At the balance sheet date the academy trust was holding funds received in advance for student trips, catering income and grants received for the 2014/15 academic year.

15. OPERATING LEASE COMMITMENTS

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

	Other operating leases	
	2014	2013
	£	£
Expiring:		
Between one and five years	11,984	11,984

16. MOVEMENT IN FUNDS

	At 1/9/13 £	Net movement in funds £	Transfers between funds £	At 31/8/14 £
Unrestricted funds				
General fund	-	8,879	-	8,879
Restricted funds				
Restricted fixed asset fund	195,352	(673,955)	4,514,601	4,035,998
Pension fund	-	(17,000)	-	(17,000)
Restricted general fund	51,882	137,547	(26,646)	162,783
Capital fund	215,664	4,287,123	(4,487,955)	14,832
	462,898	3,733,715	-	4,196,613
TOTAL FUNDS	462,898	3,742,594	-	4,205,492

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	33,537	(24,658)	-	8,879
Restricted funds				
Restricted general fund	1,824,619	(1,687,072)	-	137,547
Capital fund	4,317,899	(30,776)	-	4,287,123
Restricted fixed asset fund	-	(673,955)	-	(673,955)
Pension fund	-	(7,000)	(10,000)	(17,000)
	6,142,518	(2,398,803)	(10,000)	3,733,715
TOTAL FUNDS	6,176,055	(2,423,461)	(10,000)	3,742,594

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

Within the restricted fixed assets fund is the Trust's freehold property. In the event of this being sold, the Trust is required to account to the EFA for all of the proceeds.

17. 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 Dorset County Council. Both are defined-benefit schemes.

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

Contributions amounting to £14,872 (2013: £1,363) were payable to the schemes at 31 August 2014 and are included within creditors.

17. 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.

17. PENSION AND SIMILAR OBLIGATIONS - continued

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 representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted 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 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 £59,000, of which employer's contributions totalled £44,000 and employees' contributions totalled £15,000. The agreed contribution rates for future years are 17.4 per cent for employers and 5.5 to 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Fair value of plan assets	62,000	-
	62,000	-
Surplus	62,000	-
Net asset	62,000	-

17. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2014	2013
	£	£
Current service cost	52,000	-
Interest cost	1,000	-
Expected return	(2,000)	-
	51,000	-
Actual return on plan assets	3,000	-

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 £10,000 loss.

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

	Defined benefit pension plans	
	2014	2013
	£	£
Current service cost	(52,000)	-
Contributions by scheme participants	(15,000)	-
Interest cost	(1,000)	-
Actuarial losses/(gains)	(11,000)	-
	(79,000)	-

17. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2014	**2013**
	£	**£**
Contributions by employer	44,000	-
Contributions by scheme participants	15,000	-
Expected return	2,000	-
Actuarial gains/(losses)	1,000	-
	62,000	-

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

	Defined benefit pension plans	
	2014	**2013**
Equities	55%	0%
Gilts	20%	0%
Alternative assets	5%	0%
Absolute return portfolio	2%	0%
Property	9%	0%
Cash	9%	0%

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

	2014	2013
Discount rate	4%	4.7%
Expected return on scheme assets	5.6%	6.4%
Future salary increases	4.2%	4.4%
Future pension increases	2.7%	2.9%
RPI increases	3.5%	3.7%
CPI increases	2.7%	2.9%
Commutation of benefits to lump sums	50%	50%

The assumed life expectations from age 65 are:

	2014	2013
Retiring Today		
Males	**22.7 Years**	22.6 Years
Females	**25.1 Years**	25.0 Years
Retiring in 20 years		
Males	**24.9 Years**	24.8 Years
Females	**27.4 Years**	27.3 Years

It is further assumed that active members will retire at the pension weighted average tranche retirement age.

17. PENSION AND SIMILAR OBLIGATIONS - continued

The estimated value of employer contributions for the year ended 31 August 2015 is £42,000.

Sensitivity
A change of 0.1% in the assumed discount rate would cause the present value of the total obligation to change by approximately £2,000 and the projected service cost by £2,000.

A change of 1 year in the assumed mortality age would cause the present value of the total obligation to change by approximately £3,000 and the projected service cost by £2,000.

A change of 0.1% in the assumed salary increase would cause the present value of the total obligation to change by less than £1,000 and the projected service cost by less than £1,000.

Expected Return on Assets
The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

We have adopted the following expected returns.

	Expected return at 31 August 2014	Expected return at 31 August 2013
Equities	**6.9%**	7.3%
Gilts	**3.0%**	3.7%
Alternative Assets	**6.9%**	-
Absolute Return Portfolio	**6.9%**	7.3%
Property	**5.9%**	7.3%
Cash	**2.9%**	3.5%
Total	**5.6%**	**6.4%**

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

	2014	2013	2013
	£	£	£
Defined benefit pension plans			
Defined benefit obligation	(79,000)	-	-
Fair value of scheme assets	62,000	-	-
Deficit	(17,000)	-	-
Experience adjustments on scheme assets	1,000	-	-

18. CAPITAL COMMITMENTS

	2014	2013
	£	£
Contracted but not provided for in the financial statements	-	909,021

19. RELATED PARTY DISCLOSURES

Owing to the nature of the Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions take place with organisations in which a trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

During the previous period Mrs S Hanson invoiced for administration duties totalling £5,636.

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

	Year Ended 31/8/14	Period 1/6/13 to 31/8/13
	£	£
Net incoming resources	3,752,594	370,725
Depreciation charges	673,955	-
Capital grants from DfE/EFA	(4,317,899)	(394,066)
Interest received	(332)	-
Decrease/(increase) in debtors	386,713	(415,895)
(Decrease)/increase in creditors	(138,682)	305,220
Difference between pension charge and cash contributions	7,000	-
Net cash inflow/(outflow) from operating activities	363,349	(134,016)

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

	Year Ended 31/8/14 £	Period 1/6/13 to 31/8/13 £
Returns on investments and servicing of finance		
Interest received	332	-
Net cash inflow for returns on investments and servicing of finance	332	-
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,514,601)	(178,402)
Capital grants from DfE/EFA	4,317,899	394,066
Net cash (outflow)/inflow for capital expenditure and financial investment	(196,702)	215,664

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/13 £	Cash flow £	At 31/8/14 £
Net cash:			
Cash at bank	145,514	166,979	312,493
Total	145,514	166,979	312,493