

**Parkfield Academy Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year ended 31 August 2014**

Company Number : 08314293

**Feltons**  
**Chartered Accountants**

**Birmingham**  
**B1 3JR**

**Parkfield Academy Trust**

**(A Company Limited by Guarantee)**

**Report and financial statements  
Year ended 31 August 2014**

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**Parkfield Academy Trust**  
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**Reference and Administrative Details**

Members	Fatema Bari Mohammed Hossain Mohammed Yasin MBE	(community trustee, chair person) (parent trustee) (community trustee, vice chair)
Trustees	Caroline Clarkson Amy Collins Fatema Bari Fatima Jama Sandra Hadley Mohammed Hossain Mohammed Sajad Sanobar Sheikh Mohammed Yasin MBE Nazia Ahmed Hazel Pulley	(staff trustee - resigned 27/04/14) (staff trustee - appointed 21/05/14) (community trustee, chair person) # (parent trustee) * # (staff trustee - resigned 31/08/14) * (parent trustee) * # (community trustee) (staff trustee - appointed 07/10/14) * (community trustee, vice chair) # (parent trustee) * (head teacher, accounting officer)  * members of finance committee # members of the audit committee
Company secretary		Lisa Davies
Senior management team	Head teacher Deputy head Assistant head Assistant head Assistant head Assistant head Assistant head Assistant head Assistant head Assistant head School Business Manager	Hazel Pulley Michelle Davies Lesley Ahearn Larissa Gordon Helen Hackett Louise Staplefold Lorna Townsend David Williams Lynette Stables Andrew Moffat Anna McLaughlin
Responsible officer		Sandra Jones Schools Financial Services
Registered office		Parkfield Academy Trust Parkfield Road Sallley Birmingham B8 3AX
Company registration number		8314293
Independent auditor		Fellons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers		Lloyds Bank Plc 114-116 Colmore Row Birmingham B3 3BD
Solicitors		Browne Jacobson LLP Victoria Square House Birmingham B2 4BU

## **Parkfield Academy Trust**

### **(A Company Limited by Guarantee)**

#### **Trustees' report**

The Trustees 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 trustees' report and a directors' report under company law.

#### **Structure, governance and management**

##### Constitution

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

The Trustees of Parkfield School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Parkfield Academy Trust.

Details of the Trustees who served during the year 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

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.

##### Method of recruitment and appointment or election of Trustees

Parent Trustees are elected by the parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when she/he is elected.

The Community Trustees may be appointed by the Governing Body provided that the person who is appointed as a Community Trustee is:

- a person who lives or works in the community served by the Academy; or
- a person who, in the opinion of the Governing Body, is committed to the government and success of the Academy.

Staff Trustees are elected by employees of the Academy Trust.

The selection process for all Parent and Staff Governors follows a similar format, nominations are requested and if more than one application is received then a ballot is held with candidates putting forward a statement, stating how they would support the work of the Governing Body. For Community Trustees, we receive applications from potential Governors within the local community or recommendations from other Governors, we have also discussed the option of advertising and have not ruled out the possibility of doing so in the future. All potential Governors submit a statement as to why they would like to be a Governor and what skills they could bring to the Governing Body. Potential Governors are interviewed by the Governing Body with Governors voting to select the most suitable Governor.

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**Trustees' report (continued)**

Policies and procedures adopted for the induction and training of Trustees

Newly elected Trustees attend Induction Training for new Trustees, and in addition select specific training provided in accordance with their needs.

One of the Trustees is appointed as Link Trustee, to support a new Governor.

The Head Teacher is the Leader for Professional Development in school, and she ensures that Trustees are provided with opportunities to receive training in accordance with their role, and the school's Training Plan.

Organisational structure

The Governing Body has established committees and appoints Trustees to serve on each of the committees annually. The committees for the period of the report were:

- Value for Money
- Wellbeing
- Curriculum
- Audit
- Finance
- Head Teacher Performance Management
- Pay Panel

The written terms of reference of the committees include the monitoring of the preparation and management of the Academy's budget and implementation of the Academy's financial management policies, including risk assessment.

The Governing Body also appoints a Responsible Officer and this role has been fully implemented in accordance with the Academy Trust's Financial Procedures.

Decisions relating to items of ratification of the appointment of the Head Teacher, ratification of the school budget and contracts costing over £30,000, are reserved for the board of trustees. The Governing body formally delegate the day to day financial management of Fair Funding to the Head teacher.

Specifically:

To prepare (by reference to the School Development Plan) and submit an annual Budget Plan to the Value for Money Committee for review and the Governance Committee for approval.

To submit proposals for the amendment of an approved Budget Plan to the Governance Committee for consideration and approval.

**Expenditure**

- The Head teacher can incur expenditure up to £10,000 without reference to the Value for Money Committee.
- The Head teacher can incur expenditure on single orders in excess of £10,000 and less than £20,000 with the prior approval of the Value for Money Committee, subject to the receipt of 3 quotes and compliance with the current Financial Regulations as outlined by the DfE.
- The Head teacher can incur expenditure on single orders in excess of £20,000 with the prior approval of the Governing Body subject to the receipt of 3 quotes and compliance with the current Financial Regulations as outlined by the DfE.
- The head teacher may incur cumulative expenditure with suppliers up to £30,000 without reference to the Value for Money Committee.
- The head teacher should provide a report to each Value for Money meeting to show cumulative expenditure with suppliers in excess of £30,000 for which an annual approval of an exemption from standing orders should be included in the relevant minutes. It should be noted that if expenditure in the following financial year may also exceed £30,000 with the same supplier that alternative quotes should be sought.

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**Trustees' report (continued)**

**Virement & Budget Revisions**

- The Head teacher may undertake virements and budget revisions up to £15,000 which should be retrospectively reported to the Value for Money Committee.
- The Head teacher may undertake virements and budget revisions between £15,000 & £20,000 which should be reported to the Value for Money Committee for prior approval before being undertaken.
- The Head teacher may undertake virements and budget revisions in excess of £20,000, which should be reported to the Governing Body for prior approval before being undertaken.

To submit financial reports to each meeting of the Value for Money Committee.

To maintain an inventory record in accordance with current financial regulations.

To be authorised to write off equipment or appropriately sell from the school inventory without prior reference to the Value for Money Committee. To provide termly reports to the Value for Money Committee for their approval.

To maintain and develop adequate records of all other school funds and to prepare and submit annual audited accounts to the Value for Money Committee for their approval.

To maintain and develop adequate financial systems/records i.e. Personnel etc. to protect school assets and to comply with the DfE regulations and procedures. To make recommendations to the Value for Money Committee for the improvement of financial systems/records where appropriate.

To report and make recommendations to the Value for Money Committee on any proposed changes which the EFA may request to the Financial Regulations.

**Other Issues**

- The Head teacher should ensure that a full financial statement is presented to each meeting of the Value for Money Committee.

**Suggested Powers for the Value for Money Committee**

The initial approval of the budget – to be ratified by the Governing Body.

The approval of the Head teachers delegated powers.

The receipt and approval of Financial Statements at each meeting.

The approval of expenditure on items between £10,000 and £20,000.

The retrospective approval of virements and budget revisions up to £15,000.

The prior approval of budget revisions and budget virements between £15,000 and £20,000.

**Objectives and activities**

Objects and aims

The strategic goal of Parkfield Academy Trust is to provide a broad and balanced curriculum to all pupils in accordance with the Funding Agreement between the Academy Trust and the Department for Education.

Objectives, strategies and activities

The school aims to maintain and improve upon its good status, through:

- The improved social and emotional development of our pupils enhances our pupils' achievements.
- The leadership of teams, governance, curriculum design, cultural diversity, e-safety and the removal of prejudices enhances our pupils' achievements.
- The improved teaching and learning of reading, spelling & grammar and the achievement of specific groups in all subjects enhances overall our pupils' achievements.
- The improved level of teachers' subject knowledge in Maths and Science and continued clear identification of next steps in individual pupil's learning enhances our pupils' achievements further.

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**Trustees' report (continued)**

Public benefit

In setting our objectives and planning our activities, the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit.

Parkfield Academy Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

**Strategic report**

**Achievements and performance**

Foundation Stage			
EYFS areas of learning (2014)	Emerging %	Expected %	Exceeding %
Listening and attention	25	43	33
Understanding	27	43	30
Speaking	24	55	21
Self-confidence and self-awareness	11	56	33
Managing feelings and behaviour	10	66	24
Making relationships	11	67	21
Moving and handling	5	42	54
Health and self care	3	33	64
Reading	33	46	21
Writing	40	51	9
Number	37	42	21
Shape, space and measures	36	45	19
People and communities	19	70	11
The world	19	71	10
Technology	10	83	7
Exploring media and materials	12	83	5
Being imaginative	18	79	3

**EYFS**

The percentage of children attaining 'expected' or higher over the last two years for EYFS (since the introduction of the new profile) has increased significantly in all areas of the profile. This is particularly the case in terms of the percentage of children achieving 'exceeding' in all areas. Examples of this include number, which increased by 21% and reading, which increased by 14% over this time period.

KS1 SATs percentages (2014)			KS2 SATs percentages (2014)			
	Level 2+	Level 3		Level 4+	Level 5+	Level 6+
Speaking and listening	93	25	Reading	95	69	0
Reading	93	33	Writing	89	32	0
Writing	90	28	Maths	93	51	12
Maths	94	29	SPAG	88	65	1
Science	86	22				

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**Trustees' report (continued)**

**KS1**

Attainment in KS1 remains high over a three-year period, with modest increases in Level 2+ of 7% in speaking and listening, 4% in reading, 1% in maths and 4% in science.

The percentage of children attaining a Level 3+ has also steadily increased in most areas - 4% in speaking and listening, 6% in reading and 10% in writing. Both maths and science however recorded a slight 1% dip.

**KS2**

Attainment at Parkfield Community School has shown a rapid increase over the last three years in reading, writing, maths and SPAG. The percentage of children attaining Level 4+ has increased by 22% for reading, 24% in writing and 28% for maths. Level 5+ children have increased by 49% in reading, 17% in writing and 24% in maths.

The average point scores, in all areas assessed, are greater than the national averages. These are significantly above in all subjects, maths, reading and SPAG tests.

Progress, although slightly down on last year's figures, was still significantly above national average in all subjects, reading and maths and was above average in writing. Many groups of children made significantly above average progress across reading writing and maths (including boys, girls, disadvantaged pupils, Pakistani heritage pupils and African (Somali) heritage children).

Key performance indicators

- Direct costs as a percentage of total costs were 71.2% (2013: 67.3%)
- Support costs as a percentage of total costs were 28.5% (2013: 32.3%)
- Total payroll costs as a percentage of recurring income were 77.7% (2013: 76.6%)

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 concerning the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Financial review**

The financial results of Parkfield Academy Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the EFA and requirements as laid down by the Academy's Financial Handbook.

The principal funding source is grant income from the EFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31 August 2014 total resources expended were £3,969,048 and the surplus of income over expenditure was £24,616 which included depreciation of £124,267.

At 31 August 2014 the net book value of fixed assets was £3,628,924. The assets were used exclusively for providing the education and the associated support services to the pupils of Parkfield Academy Trust.

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**Trustees' report (continued)**

Reserves policy

The Trustees continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes.

The deficit on the restricted pension fund of £730,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

**Principal risks and uncertainties**

The Trustees have considered the major risks and uncertainties facing the Charitable Company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

**Plans for future periods**

Within the next financial year it is hoped that we will complete the replacement of the current double mobile unit with a purpose built learning hub which will contain 2 classrooms, 2 learning bays and a community room. We will also be replace the tyre park with an aerobics fitness area.

**Auditor**

Insofar as the Trustees are aware :

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ..... and signed on its behalf by:



..... Mohammed Yasin - Chair of Trustees

**Parkfield Academy Trust**  
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**Governance statement**

**Scope of Responsibility**

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

The board of 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 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustees' Responsibilities. The board of trustees has formally met six times during the year. Attendance during the year at meetings of the board of trustees was as follows :

	Meetings attended	Out of a possible
<b>Main board</b>		
Caroline Clarkson	3	4
Fatema Bari	6	6
Fatima Jama	5	6
Sandra Hadley	6	6
Mohammed Hossain	6	6
Mohammed Sajad	4	6
Mohammed Yasin MBE	6	6
Nazia Ahmed	6	6
Hazel Pulley	6	6
<b>Finance committee</b>		
Sandra Hadley	5	5
Mohammed Hossain	2	5
Mohammed Sajad	4	5
Mohammed Yasin MBE	5	5
Hazel Pulley	5	5

The finance committee is a sub committee of the main board of trustees. Its purpose is to provide detailed oversight of the trust's finances.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Parkfield Academy Trust for the year to 31 August 2014 and up to the date of approval of the annual report and financial statements.

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**Governance statement (continued)**

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 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 board of trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed School Financial Services, as responsible officer ('RO'). The RO's 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 RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

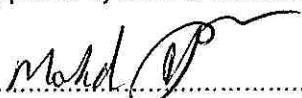
**Review of Effectiveness**

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on ..... and signed on its behalf by:

.....  ..... Mohammed Yasin - Chair of Trustees

.....  ..... Hazel Pulley - Accounting Officer

**Parkfield Academy Trust**  
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**Statement on regularity, propriety and compliance**

As accounting officer of Parkfield Academy Trust I have considered my responsibility to notify the academy trust 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 academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and the EFA.



Hazel Pulley - Accounting Officer

Date

**Parkfield Academy Trust**  
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**Statement of Trustees' Responsibilities**

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

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

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

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

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

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

Approved by order of the members of the board of trustees on ....., and signed on its behalf by:



..... Mohammed Yasin - Chair of Trustees

**Parkfield Academy Trust**  
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**Independent Auditor's Report on the Financial Statements to the Board of Trustees of Parkfield Academy Trust**

We have audited the financial statements of Parkfield Academy Trust (A Company Limited by Guarantee) for the period ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies: Accounts Direction 2013 issued by the Education Funding Agency.

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

**Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy'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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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**Independent Auditor's Report on the Financial Statements to the Board of Trustees of Parkfield Academy Trust  
(continued)**

**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.

**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
- 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.

**David W Farnsworth FCA (Senior Statutory Auditor)**  
For and on behalf of Feltons, Statutory Auditor  
8 Sovereign Court  
8 Graham Street  
Birmingham B1 3JR

..... December 2014

**Parkfield Academy Trust**  
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**Independent Reporting Accountant's Assurance Report on Regularity to Parkfield Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 18 October 2012 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 the Parkfield Academy Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Parkfield Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Parkfield Academy Trust's funding agreement with the Secretary of State for Education dated 21 December 2012 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and 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 matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the Academy Trust's Funding Agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

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**Independent Reporting Accountant's Assurance Report on Regularity to Parkfield Academy Trust  
and the Education Funding Agency (continued)**

**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.

**David W Farnsworth FCA (Senior Statutory Auditor)**  
For and on behalf of Fellons, Statutory Auditor  
8 Sovereign Court  
8 Graham Street  
Birmingham B1 3JR

..... December 2014

**Parkfield Academy Trust**  
(A Company Limited by Guarantee)

**Statement of financial activities for the year ended 31 August 2014**  
(including income and expenditure account and statement of total recognised gains and losses)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2014 £	8 mths Total 2013 £
<b>Incoming resources</b>							
<i>Incoming resources from generated funds:</i>							
Voluntary income - transfer from local authority on conversion	2	-	-	-	-	-	3,499,796
Activities for generating funds	3	104,975	-	-	-	104,975	64,310
Investment income	4	1,401	-	-	-	1,401	468
<i>Incoming resources from charitable activities:</i>							
Funding for the Academy's educational operations	5	-	-	3,875,031	12,257	3,887,288	2,536,948
<b>Total incoming resources</b>		<b>106,376</b>	<b>-</b>	<b>3,875,031</b>	<b>12,257</b>	<b>3,993,664</b>	<b>6,101,522</b>
<b>Resources expended</b>							
<i>Charitable activities:</i>							
Academy's educational operations	7	100,840	67,000	3,667,591	124,267	3,959,698	2,546,461
Governance costs	8	-	-	9,350	-	9,350	9,525
<b>Total resources expended</b>	<b>6</b>	<b>100,840</b>	<b>67,000</b>	<b>3,676,941</b>	<b>124,267</b>	<b>3,969,048</b>	<b>2,555,986</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>5,536</b>	<b>(67,000)</b>	<b>198,090</b>	<b>(112,010)</b>	<b>24,616</b>	<b>3,545,536</b>
Gross transfers between funds	15	-	-	(265,739)	265,739	-	-
<b>Net income/(expenditure) for the year</b>		<b>5,536</b>	<b>(67,000)</b>	<b>(67,649)</b>	<b>153,729</b>	<b>24,616</b>	<b>3,545,536</b>
<b>Other recognised gains and losses</b>							
Actuarial gains/(losses) on defined benefit pension schemes	15, 24	-	107,000	-	-	107,000	67,000
<b>Net movement in funds</b>		<b>5,536</b>	<b>40,000</b>	<b>(67,649)</b>	<b>153,729</b>	<b>131,616</b>	<b>3,612,536</b>
<b>Reconciliation of funds</b>							
Total funds brought forward at 1 September 2013	15	818,086	(770,000)	89,255	3,475,195	3,612,536	-
<b>Total funds carried forward at 31 August 2014</b>		<b>823,622</b>	<b>(730,000)</b>	<b>21,606</b>	<b>3,628,924</b>	<b>3,744,152</b>	<b>3,612,536</b>

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

**Parkfield Academy Trust**  
**(A Company Limited by Guarantee)**

**Company Number : 08314293**  
**Balance sheet as at 31 August 2014**

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		3,628,924		3,475,195
<b>Current assets</b>					
Debtors	13	197,013		87,143	
Cash at bank and in hand		<u>1,301,850</u>		<u>863,646</u>	
		1,498,863		950,789	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14(a)	<u>653,635</u>		<u>43,448</u>	
<b>Net current assets</b>			845,228		907,341
<b>Total assets less current liabilities</b>			<u>4,474,152</u>		<u>4,382,536</u>
			<u>4,474,152</u>		<u>4,382,536</u>
Pension scheme liability	24		(730,000)		(770,000)
<b>Net assets including pension liability</b>			<u>3,744,152</u>		<u>3,612,536</u>
<b>Funds of the academy trust :</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	3,628,924		3,475,195	
General fund	15	21,606		89,255	
Pension reserve	15	<u>(730,000)</u>		<u>(770,000)</u>	
<b>Total restricted funds</b>			2,920,530		2,794,450
<b>Unrestricted income funds</b>					
General fund	15		823,622		818,086
<b>Total funds</b>			<u>3,744,152</u>		<u>3,612,536</u>

The financial statements on pages 16 to 37 were approved by the trustees, and authorised for issue on .....  
and are signed on their behalf by:



Mohammed Yasin - Chair of Trustees

**Parkfield Academy Trust**  
**(A Company Limited by Guarantee)**

**Cash flow statement for the year ended 31 August 2014**

	Notes	2014 £	2013 £
Net cash inflow from operating activities	19	702,542	90,678
Returns on investments and servicing of finance	20	1,401	468
Capital expenditure	21	(265,739)	(37,657)
Cash transferred on conversion to academy trust		-	810,157
Increase in cash in the period	22	<u>438,204</u>	<u>863,646</u>

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

Net funds at 1 September 2013	863,646	-
Net funds at 31 August 2014	<u>1,301,850</u>	<u>863,646</u>

**Parkfield Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2014**

**1. Statement of accounting policies**

**Basis of preparation**

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

**Going concern**

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

**Incoming resources**

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

- **Grants receivable**

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

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

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

- **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.

**Parkfield Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**1. Statement of accounting policies (continued)**

- **Donated services and gifts in kind**

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

**Resources expended**

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

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred in 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.

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 trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

**Parkfield Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**1. Statement of accounting policies (continued)**

**Tangible fixed assets (continued)**

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Long leasehold buildings	- straight line over 50 years
Fittings and equipment	- 20% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 25% reducing balance

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.

**Leased assets**

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

**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.

**Pension benefits**

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

**Parkfield Academy Trust**  
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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**Pension benefits (continued)**

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**Fund accounting**

**Unrestricted income funds**

These represent resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

**Restricted fixed asset funds**

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

**Restricted general funds**

These comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency and Department for Education.

**Parkfield Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**2. Voluntary income**

	<b>Total</b>	<b>8 mths</b>
	<b>2014</b>	<b>Total</b>
	<b>£</b>	<b>2013</b>
		<b>£</b>
Transfer from local authority	-	3,496,639
- fixed assets	-	810,157
- other assets	-	(807,000)
- pension deficit	-	3,499,796

**3. Activities for generating funds**

	<b>Unrestricted</b>	<b>Total</b>	<b>8 mths</b>
	<b>funds</b>	<b>2014</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>2013</b>
			<b>£</b>
Catering income	81,672	81,672	47,472
Educational visits	10,792	10,792	3,949
Teaching school	1,330	1,330	6,820
Miscellaneous	11,181	11,181	6,069
	<u>104,975</u>	<u>104,975</u>	<u>64,310</u>

**4. Investment income**

	<b>Unrestricted</b>	<b>Total</b>	<b>8 mths</b>
	<b>funds</b>	<b>2014</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>2013</b>
			<b>£</b>
Short term deposits	<u>1,401</u>	<u>1,401</u>	<u>468</u>

**Parkfield Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**5. Funding for the Academy Trust's educational operations**

	Restricted general fund £	Restricted fixed asset funds £	Total 2014 £	8 mths Total 2013 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant	3,226,811	-	3,226,811	2,154,884
Capital grants	-	12,257	12,257	12,258
Other DfE/EFA grants	400,914	-	400,914	173,974
	<u>3,627,725</u>	<u>12,257</u>	<u>3,639,982</u>	<u>2,341,116</u>
<b>Other government grants</b>				
Local authority grants	247,306	-	247,306	195,832
	<u>247,306</u>	<u>-</u>	<u>247,306</u>	<u>195,832</u>
	<u>3,875,031</u>	<u>12,257</u>	<u>3,887,288</u>	<u>2,536,948</u>

**6. Resources expended**

	Staff costs £	Non pay expenditure		Total 2014 £	8 mths Total 2013 £
		Premises £	Other costs £		
<b>Academy's educational operations</b>					
Direct costs	2,450,241	89,262	288,542	2,828,045	1,720,565
Allocated support costs	652,161	286,154	193,338	1,131,653	825,896
	<u>3,102,402</u>	<u>375,416</u>	<u>481,880</u>	<u>3,959,698</u>	<u>2,546,461</u>
<b>Governance costs including allocated support costs</b>					
	-	-	9,350	9,350	9,525
	<u>3,102,402</u>	<u>375,416</u>	<u>491,230</u>	<u>3,969,048</u>	<u>2,555,986</u>

		Total 2014 £	8 mths Total 2013 £
<b>Incoming/(outgoing) resources for the year include :</b>			
Operating leases	- plant and machinery	25,733	13,784
Fees payable to auditor	- audit	7,000	6,575
	- other services	250	850

Included within resources expended are compensation payments of £21,000 (2013 - £nil).

**Parkfield Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**7. Charitable activities**

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2014 £	8 mths Total 2013 £
<b>Direct costs - educational operations</b>					
Teaching and educational support staff	-	-	2,450,241	2,450,241	1,559,919
Depreciation	-	-	89,262	89,262	46,383
Technology costs	-	-	19,991	19,991	683
Educational supplies	28,016	-	119,586	147,602	60,271
Examination fees	-	-	467	467	204
Staff development	-	-	28,730	28,730	14,298
Educational consultancy	-	-	79,369	79,369	38,807
Other direct costs	-	-	12,383	12,383	-
	<u>28,016</u>	<u>-</u>	<u>2,800,029</u>	<u>2,828,045</u>	<u>1,720,565</u>
<b>Support costs - educational operations</b>					
Support staff	-	67,000	585,161	652,161	432,662
Depreciation	-	-	35,005	35,005	24,976
Technology costs	-	-	17,104	17,104	73,309
Recruitment and support	-	-	7,327	7,327	1,079
Maintenance of premises and equipment	-	-	84,860	84,860	49,000
Cleaning	-	-	73,509	73,509	29,793
Rates and water	-	-	21,673	21,673	7,449
Energy costs	-	-	41,414	41,414	36,033
Insurance	-	-	26,786	26,786	19,253
Security and transport	-	-	10,831	10,831	8,853
Catering	72,824	-	-	72,824	51,005
Other support costs	-	-	88,159	88,159	92,484
	<u>72,824</u>	<u>67,000</u>	<u>991,829</u>	<u>1,131,653</u>	<u>825,896</u>
<b>Total direct and support costs</b>	<u>100,840</u>	<u>67,000</u>	<u>3,791,858</u>	<u>3,959,698</u>	<u>2,546,461</u>

**8. Governance costs**

	Restricted funds £	Total 2014 £	8 mths Total 2013 £
Legal and professional fees	2,100	2,100	2,100
Auditor's remuneration			
audit of financial statements	7,000	7,000	6,575
other audit costs	250	250	850
	<u>9,350</u>	<u>9,350</u>	<u>9,525</u>

**Parkfield Academy Trust**  
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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**9. Staff**

**a) Staff costs**

	Total	8 mths
Staff costs during the period were:	2014	Total
	£	£
Wages and salaries	2,440,691	1,545,246
Social security costs	158,022	107,851
Pension costs		
Teachers' pension scheme	170,377	150,774
Local government pension scheme	158,490	56,146
	<u>2,927,580</u>	<u>1,860,017</u>
Supply staff costs	153,822	132,564
Compensation payments	21,000	-
	<u>3,102,402</u>	<u>1,992,581</u>

**b) Staff severance payments**

There were no staff severance payments during the year (2013 - £nil). The compensation payments exceeded £5,000 individually, and these were for £11,000 and £10,000.

**c) Staff numbers**

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

	2014	2013
	Number	Number
Charitable activities		
Teachers	66	62
Administration and support	23	35
Management	3	3
	<u>92</u>	<u>100</u>

**d) Higher paid staff**

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

£90,001 - £100,000	1	1
£60,001 - £70,000	1	-
	<u>1</u>	<u>-</u>

These employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, employer's pension contributions for these employees amounted to £22,630 (2013 - £8,519).

**10. Related Party Transactions - Trustees' remuneration and expenses**

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

**Parkfield Academy Trust**  
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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**10. Related Party Transactions - Trustees' remuneration and expenses (continued)**

The value of trustees' remuneration during the year to 31 August 2014 (2013 : 8 months to 31 August 2013) was as follows :

Ms H Pulley (head teacher and trustee)	£90,000 - £95,000 (2013 : £60,000 - £65,000)
Ms C Clarkson (staff trustee - resigned 27/04/14)	£25,000 - £30,000 (2013 : £25,000 - £30,000)
Ms S Hadley (staff trustee - resigned 31/08/14)	£15,000 - £20,000 (2013 : £10,000 - £15,000)
Ms A Collins (staff trustee - appointed 21/05/14)	£5,000 - £10,000 (2013 : £nil)

During the year there were no travel and subsistence expenses reimbursed to trustees (2013 : £nil). Other related party transactions involving the trustees are set out in note 25.

**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 £150 (2013 - £1,629). The cost of this insurance is included in the total insurance cost.

**12. Tangible fixed assets**

	Long leasehold property £	Fittings and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2013	3,370,000	38,090	101,554	36,910	3,546,554
Additions	215,639	27,259	35,098	-	277,996
Disposals	-	-	-	-	-
At 31 August 2014	<u>3,585,639</u>	<u>65,349</u>	<u>136,652</u>	<u>36,910</u>	<u>3,824,550</u>
<b>Depreciation</b>					
At 1 September 2013	44,933	2,910	17,365	6,151	71,359
Charge for the year	67,400	9,411	39,766	7,690	124,267
Released by disposals	-	-	-	-	-
At 31 August 2014	<u>112,333</u>	<u>12,321</u>	<u>57,131</u>	<u>13,841</u>	<u>195,626</u>
<b>Net book values</b>					
At 31 August 2014	<u>3,473,306</u>	<u>53,028</u>	<u>79,521</u>	<u>23,069</u>	<u>3,628,924</u>
At 31 August 2013	<u>3,325,067</u>	<u>35,180</u>	<u>84,189</u>	<u>30,759</u>	<u>3,475,195</u>

Leasehold property was valued on 1 January 2013 by CBRE Limited, Cornwall Court, 19 Cornwall Street, Birmingham B3 2DT and the fittings and equipment, computer equipment and motor vehicles were valued by the trustees on 1 January 2013. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2014 is represented by :

	Long leasehold property £	Fittings and equipment £	Computer equipment £	Motor vehicles £	Total £
Valuation in 2013	3,370,000	19,406	70,323	36,910	3,496,639
Cost	<u>215,639</u>	<u>45,943</u>	<u>66,329</u>	<u>-</u>	<u>327,911</u>
	<u>3,585,639</u>	<u>65,349</u>	<u>136,652</u>	<u>36,910</u>	<u>3,824,550</u>

**Parkfield Academy Trust**  
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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**13. Debtors**

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
Debtors from operations	2,874	1,500
VAT recoverable	88,921	34,709
Prepayments and accrued income	104,073	42,759
Other debtors	1,145	8,175
	<u>197,013</u>	<u>87,143</u>

**14. Creditors**

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
(a) Amounts falling due within one year :		
Creditors from operations	559,990	16,190
Accruals and deferred income	72,645	27,258
Other creditors	21,000	-
	<u>653,635</u>	<u>43,448</u>
 Deferred income		
Resources deferred in the year	40,807	-
Deferred income at 31 August 2014	<u>40,807</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in advance from the Education Funding Agency for autumn 2014 free school meals.

**15. Funds**

	<b>Balance at 1 September 2013 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2014 £</b>
Restricted general funds					
General Annual Grant (GAG)	89,255	3,226,811	(3,028,721)	(265,739)	21,606
Other DfE/EFA grants	-	400,914	(400,914)	-	-
Other government grants	-	247,306	(247,306)	-	-
	<u>89,255</u>	<u>3,875,031</u>	<u>(3,676,941)</u>	<u>(265,739)</u>	<u>21,606</u>

**Parkfield Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**15. Funds (continued)**

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion	3,427,341	-	(102,412)	-	3,324,929
DfE/EFA capital grants	11,752	12,257	(1,634)	-	22,375
Capital expenditure from GAG	36,102	-	(20,221)	265,739	281,620
	<u>3,475,195</u>	<u>12,257</u>	<u>(124,267)</u>	<u>265,739</u>	<u>3,628,924</u>
 <b>Restricted pension funds</b>	 <u>(770,000)</u>	 <u>-</u>	 <u>(67,000)</u>	 <u>107,000</u>	 <u>(730,000)</u>
 <b>Total restricted funds</b>	 <u>2,794,450</u>	 <u>3,887,288</u>	 <u>(3,868,208)</u>	 <u>107,000</u>	 <u>2,920,530</u>
 <b>Unrestricted funds</b>					
Other income	818,086	106,376	(100,840)	-	823,622
<b>Total unrestricted funds</b>	<u>818,086</u>	<u>106,376</u>	<u>(100,840)</u>	<u>-</u>	<u>823,622</u>
 <b>Total funds</b>	 <u>3,612,536</u>	 <u>3,993,664</u>	 <u>(3,969,048)</u>	 <u>107,000</u>	 <u>3,744,152</u>

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

**Restricted general funds**

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education Funding Agency and Birmingham City Council.

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

**Unrestricted funds**

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

**Restricted fixed asset funds**

These comprise resources which are to be applied to specific capital purposes imposed by The Education Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**16. Analysis of net assets between funds**

Fund balances at 31 August 2014  
are represented by:

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	3,628,924	3,628,924
Current assets	823,622	-	675,241	-	1,498,863
Current liabilities	-	-	(653,635)	-	(653,635)
	<u>823,622</u>	<u>-</u>	<u>21,606</u>	<u>3,628,924</u>	<u>4,474,152</u>
Creditors due after one year	-	-	-	-	-
Pension scheme liability	-	(730,000)	-	-	(730,000)
<b>Total net assets</b>	<u>823,622</u>	<u>(730,000)</u>	<u>21,606</u>	<u>3,628,924</u>	<u>3,744,152</u>

**17. Capital commitments**

Contracted for but not provided in the financial statements

Total 2014	Total 2013
£	£
<u>22,000</u>	<u>-</u>

**18. Financial commitments**

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

Expiring within two to five years inclusive

Total 2014	Other Total 2013
£	£
<u>25,733</u>	<u>20,676</u>
<u>25,733</u>	<u>20,676</u>

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

	Total 2014	Total 2013
	£	£
Net income/(expenditure)	24,616	3,545,536
Depreciation (note 12)	124,267	71,359
Capital grants from DfE and other capital income	(12,257)	(12,258)
Cash transferred on conversion to academy trust	-	(810,157)
Assets transferred on conversion	-	(3,496,639)
Interest receivable (note 4)	(1,401)	(468)
FRS 17 pension deficit on conversion	-	807,000
FRS 17 actuarial movements (note 24)	67,000	30,000
Decrease / (increase) in debtors	(109,870)	(87,143)
Increase / (decrease) in creditors	610,187	43,448
<b>Net cash inflow from operating activities</b>	<u>702,542</u>	<u>90,678</u>

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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

	Total 2014 £	Total 2013 £
20. Returns on investments and servicing of finance		
Interest received	1,401	468
Net cash inflow from returns on investment and servicing of finance	<u>1,401</u>	<u>468</u>

	Total 2014 £	Total 2013 £
21. Capital expenditure and financial investment		
Purchase of tangible fixed assets	(277,996)	(49,915)
Capital grants from DfE	12,257	12,258
Net cash (outflow) from capital expenditure and financial investment	<u>(265,739)</u>	<u>(37,657)</u>

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
22. Analysis of changes in net funds			
Cash at bank and in hand	863,646	438,204	1,301,850
	<u>863,646</u>	<u>438,204</u>	<u>1,301,850</u>

**23. Member's liability**

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

**24. 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 West Midlands Pension Fund. 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.

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

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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**24. 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**

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

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

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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**24. Pension and similar obligations (continued)**

**Valuation of the Teachers' Pension Scheme (continued)**

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

**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 the 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 were to be 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 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.

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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**24. Pension and similar obligations (continued)**

**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 £128,403, of which employer's contributions totalled £87,152 and employees' contributions totalled £41,251. The agreed contribution rates for future years are 13% for employers and 5.5% to 10.5% 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.

**Principal actuarial assumptions**

	<b>At 31 August 2014</b>	<b>At 31 August 2013</b>
Rate of increase in salaries	3.95%	4.25%
Rate of increase for pensions in payment / inflation	2.20%	2.50%
Discount rate for scheme liabilities	4.00%	4.80%
Inflation assumption (CPI)	2.20%	2.50%

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

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

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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**24. Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £	Expected return at 31 August 2013	Fair value at 31 August 2013 £
Equities	7.00%	463,000	7.00%	299,000
Government bonds	2.90%	81,000	3.40%	59,000
Other bonds	3.80%	106,000	4.40%	79,000
Property	6.20%	89,000	5.70%	61,000
Cash	0.50%	45,000	0.50%	29,000
Other	7.00%	243,000	7.00%	177,000
<b>Total market value of assets</b>		<b>1,027,000</b>		<b>704,000</b>
 Present value of scheme liabilities				
- Funded		(1,757,000)		(1,474,000)
 <b>Surplus/(deficit) in the scheme</b>		<b>(730,000)</b>		<b>(770,000)</b>

The expected rate of return on the Scheme assets is based on market expectations at the beginning of the period.

The actual return on the Scheme assets was £79,000 (2013 - £53,000).

	2014 £	2013 £
<b>Amounts recognised in the statement of financial activities</b>		
Current service cost (net of employee contributions)	124,000	84,000
<b>Total operating charge</b>	<b>124,000</b>	<b>84,000</b>
 <b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	44,000	23,000
Interest on pension liabilities	(74,000)	(43,000)
<b>Pension finance income/(costs)</b>	<b>(30,000)</b>	<b>(20,000)</b>

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 £174,000 (2013 - £67,000) gain.

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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**24. Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2013</b>	<b>1,474,000</b>	
Current service cost	124,000	84,000
Interest cost	74,000	43,000
Employee contributions	41,000	28,000
Actuarial loss / (gain)	44,000	(38,000)
Business combinations	-	1,357,000
<b>At 31 August 2014</b>	<b>1,757,000</b>	<b>1,474,000</b>

**Movements in the fair value of academy's share of scheme assets were as follows :**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2013</b>	<b>704,000</b>	
Expected return on assets	44,000	23,000
Actuarial (loss) / gain	151,000	29,000
Employer contributions	87,000	74,000
Employee contributions	41,000	28,000
Business combinations	-	550,000
<b>At 31 August 2014</b>	<b>1,027,000</b>	<b>704,000</b>

<b>Net pension scheme liability</b>	<b>(730,000)</b>	<b>(770,000)</b>
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The estimated value of employer contributions for the year ended 31 August 2015 is £94,000.

The history of experience adjustments is as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Present value of defined benefit obligations	(1,757,000)	(1,474,000)
Fair value of share of scheme assets	1,027,000	704,000
<b>Deficit in the scheme</b>	<b>(730,000)</b>	<b>(770,000)</b>
<b>Experience adjustments on share of scheme assets (£)</b>	<b>151,000</b>	<b>29,000</b>
<b>Experience adjustments on scheme liabilities (£)</b>	<b>138,000</b>	<b>-</b>

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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

**25. Related party transactions**

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

No related party transactions took place in the period of account.

