

**Parkfield Academy Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year ended 31 August 2015**

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 2015**

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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	Amy Collins Fatema Bari Fatima Jama Mohammed Hossain Mohammed Sajad Sanober Sheikh Mohammed Yasin MBE Nazia Ahmed Hazel Pulley	(staff trustee) (community trustee, chair person) (parent trustee) *(community trustee) *(community trustee) (staff trustee- appointed 07/10/14) *(community trustee, vice chair) (parent trustee) *(head teacher, accounting officer) * members of Value for Money committee
Company secretary		Lisa Davies
Senior management team	Principal Deputy principal Assistant head Assistant head Assistant head Assistant head Assistant head Assistant head	Hazel Pulley David Williams Lesley Ahearn Larissa Gordon Helen Hackett Lousie Stapleford Lorna Townsend Lynette Stables Andrew Moffat
Company name		Parkfield Academy Trust
Principal and registered office		Parkfield Road Saltley Birmingham B8 3AX
Company registration number		8314293
Independent auditor		Feltons 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 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Birmingham. It has a pupil capacity of 740 and had a roll of 740 in the school census on 1st October 2015.

#### **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 Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Parkfield Academy.

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.

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 above selection procedures are adhered to both for internal and external applicants and all positions are advertised to the relevant parties.

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**Trustees' report (continued)**

Policies and procedures adopted for the induction and training of Trustees

The Governing Body has a Service Level Agreement with the Trustee Support department of Parkfield Academy Trust, to provide training, advice and support to the Governing Body.

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

One of the Trustees is appointed as Link Trustee, attends relevant training and provides information to Trustees following such training.

The Deputy Head Teacher/Vice Principal is the Leader for Professional Development in school, and he/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
- Curriculum
- Pay Panel
- Appeals
- Wellbeing

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 approval of the management account are reserved for the board of trustees. Those responsibilities delegated to management include the day to day running of the school.

Related parties and other Connected Charities and Organisations

Trustees' related parties and other connected charities and organisations are all documented on their pecuniary interest forms and trustees have been made fully aware of their responsibilities regarding related party transactions. The pecuniary interest forms are reviewed to ensure sound governance and transparency. The Academy publishes its relevant business and pecuniary interests of local governors on its website.

**Objectives and activities**

Objects and aims

The strategic goal of Parkfield Academy 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.

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**Trustees' report (continued)**

Objectives, strategies and activities

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

- Further opportunities for pupils and staff to 'Broaden Horizons' and ensure there are 'No Outsiders' within a respectful environment enabling our pupils to be safe.
- The leadership of change, involving middle leadership particularly, effectively embodies a new curriculum and new assessment procedures.
- Through bridging and bonding with the external school community, horizons are broadened and partnerships strengthened.
- The achievement is raised for all pupils through further developments within writing, maths intervention, speaking and listening and spelling and the focus is raised for specific pupil groups.
- The quality and enhanced quality of outstanding teaching in all year groups raises pupil's achievements whole school.
- The enhanced teaching of writing, maths and coding raises pupil achievement whole school.

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 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.

**Achievements and performance**

Foundation Stage			
Early areas of learning (2014-2015)	Emerging %	Expected %	Exceeding %
Listening and attention	9	65	26
Understanding	10	66	24
Speaking	9	80	11
Self-confidence and self-awareness	5	78	18
Managing feelings and behaviour	6	73	21
Making relationships	8	76	16
Moving and handling	3	75	21
Health and self care	3	78	19
Reading	17	72	11
Writing	27	64	9
Number	18	54	28
Shape, space and measures	12	79	9
People and communities	7	82	11
The world	6	88	7
Technology	5	96	0
Exploring media and materials	7	88	6
Being imaginative	7	90	3

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**Trustees' report (continued)**

**EYFS**

The percentage of children attaining 'expected' or higher over the last three years for EYFS (since the creation of the new profile) has increased significantly each year in all areas.

From last year's results, the percentage of children attaining 'expected' or higher in reading increased by 16%, writing by 13% and number by 19%.

The percentage of children who attained GLD (Good Level of Development) rose from 55% to 67% and is now above national average of 66%.

**KS1**

KS1 SATs Percentages (2015)		
	Level 2+	Level 3+
Speaking and listening	90	26
Reading	94	36
Writing	97	37
Maths	99	12
Science	90	12

Attainment remains high over a three year period. When compared to last year, Level 2+ attainment increased by: 1% in reading, 6% in writing, 4% in maths and 3% in science. Speaking and listening attainment however fell by 3%.

Attainment at level 3 increased, from last year, in all areas apart from in science when it decreased by 10%. It increased in speaking and listening by 1%, in reading by 3%, in writing by 7% and in maths by 7%.

**KS2**

KS2 SATs Percentages (2015)			
	Level 4+	Level 5+	Level 6
Reading	99	53	0
Writing	92	42	0
Maths	99	64	8
SPAG	90	67	2

Attainment at Parkfield Community School has shown a steady increase over the last three years in reading, writing, maths and SPAG.

The percentage of children attaining Level 4+, when compared to last year, has increased by 4% in reading, 3% in writing, 6% in maths and 2% in SPAG.

The percentage of children attaining a Level 5+, when compared to last year, has increased in writing by 10%, in SPAG by 2% and in maths by 13%. In reading however there was a dip of 16%.

The average point scores, in all areas assessed, are significantly greater than the national averages.

Progress is significantly above national average in maths and reading and is above in writing. Many groups of children made significantly above average progress across reading and maths such as Pakistani heritage pupils, disadvantaged pupils, boys and low attainers. In writing, disadvantaged pupils made significantly above average progress.

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**Trustees' report (continued)**

Key performance indicators

- Direct costs as a percentage of total costs were 69.5% (2014 - 71.2%)
- Support costs as a percentage of total costs were 30.3% (2014 - 28.5%)
- Total payroll costs as a percentage of recurring income were 74.4% (2014 - 77.7%)

Going concern

After making appropriate enquiries, the board of trustees 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 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 2015 total resources expended were £4,042,569 and the surplus of income over expenditure was £29,502 which included depreciation of £138,072.

At 31 August 2015 the net book value of fixed assets was £3,599,633. The assets were used exclusively for providing the education and the associated support services to the pupils of Parkfield Academy.

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 utilise reserves held for future educational and investment purposes.

The deficit on the restricted pension fund of £896,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Investment policy

Some surplus funds are to be invested with in savings accounts covered by the FSCS limit of £75,000. These investments are carried out in accordance with the powers vested in the Governing Body.

**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.

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**Trustees' report (continued)**

**Plans for future periods**

Within the next financial year the school plans to design and build a Young Engineers' Academy. In addition to this we hope to complete work on the school building with the roofing and external entrances being our priority.

**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 10 December 2015 and signed on its behalf by:



..... Mohammed Hossain - Chair of Trustees

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**Governance statement**

**Scope of Responsibility**

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Amy Collins (Staff)	6	6
Fatema Bari (Chair)	5	6
Fatima Jama	4	6
Mohammed Hossain	6	6
Mohammed Sajad	3	6
Sanober Sheikh (appointed 8/10/14) (Staff)	5	5
Mohammed Yasin MBE (Vice Chair)	6	6
Nazia Ahmed	6	6
Hazel Pulley (Accounting Officer)	5	6

A review of governance was undertaken during the year in which the governors' skillsets were examined and the strategic risk register was reviewed. As a result of this review, a governors' strategic plan was developed and is now in place for the next 3 year covering the points raised.

The trust intends to conduct its next self-evaluation review in spring 2016.

The Value for Money committee is a sub-committee of the main board of trustees. Its purpose is to oversee and delegate (as appropriate) all areas of finance and staffing within the Academy. The board of trustees has formally met four times during the period. Attendance during the period at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mohammed Hossain	4	4
Hazel Pulley	4	4
Mohammed Sajad	4	4
Mohammed Yasin	4	4

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#### **Governance Statement (continued)**

##### **Review of value for money**

As accounting officer the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Maths Academy – The school opened a maths academy which helped to develop maths teaching further within the trust. The Maths Academy has helped to provide internal CPD, lead CPD for other schools and also host parent workshops. There was just over £8,500 of income raised through the Maths Academy during the 2014/15 financial year, a figure on which the school intends to grow year-on-year through the provision of high quality training. This will also help to enhance the school's excellent reputation within the regional area.
- Reducing Behavioural, Emotional, Social, Difficulty (BESD) – The school managed to continue to gain resource-based funding from Birmingham City Council. This is due to finish summer 2016 because of the decommissioning of the scheme. The funding obtained was utilised fully and proved of great benefit to the school.
- Improving outdoor provision of EYFS – The school managed to develop the EYFS outdoors area in order to facilitate more learning outdoors. This came well within budget and helped to vary the environment in which the pupils are taught.
- IT Provision – IRIS was procured through the school's three quote tendering process and proved to be highly successful, having a great impact upon raising teacher standards to 100% good/outstanding (2014/15).

#### **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 for the year to 31 August 2015 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 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 2015 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 :

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**Governance Statement (continued)**

**The Risk and Control Framework (continued)**

- 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 Value for Money and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have utilised an external company to provide an independent 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, through the Value for Money committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

In particular the checks carried out in the current period included :

- Purchasing - Purchase orders and invoices are being raised and authorised in an accurate and timely manner.
- Bank - The Academy's bank is regularly reconciled and accurately reflected on the accounting system.
- Staffing - Staff expenditure is in-line with projection and any variances investigated and explained.

**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 Value for Money 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 10 December 2015 and signed on its behalf by:

.......... Mohammed Hossain - Chair of Trustees

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

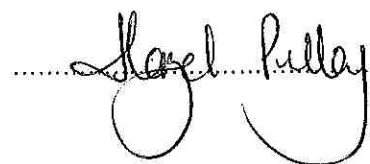
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**Statement on regularity, propriety and compliance**

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

10-Dec-15

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**Statement of Trustees' Responsibilities**

The trustees (who act as governors of Parkfield Academy 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 2005;
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 10 December 2015 and signed on its behalf by:



Mohammed Hossain - Chair of Trustees

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

We have audited the financial statements of Parkfield Academy Trust (A Company Limited by Guarantee) for the period ended 31 August 2015 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 2014 to 2015 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 2015, 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 2014 to 2015 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  
(continued)**

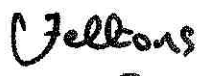
**Opinion on other matter prescribed by the Companies Act 2006**

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

11-Dec-15

**Parkfield Academy Trust**  
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**Independent Reporting Accountant's Assurance Report on Regularity to Parkfield Academy 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 2014 to 2015, 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 2014 to 31 August 2015 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 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 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 2014 to 31 August 2015 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 Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

11-Dec-15

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

**Statement of financial activities for the year ended 31 August 2015**  
(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 2015 £	Total 2014 £
<b>Incoming resources</b>							
<i>Incoming resources from generated funds:</i>							
Voluntary income	2	2,140	-	-	-	2,140	-
Activities for generating funds	3	106,419	-	-	-	106,419	104,975
Investment income	4	1,134	-	-	-	1,134	1,401
<i>Incoming resources from charitable activities:</i>							
Funding for the Academy's educational operations	5	-	-	3,950,359	12,019	3,962,378	3,887,288
<b>Total incoming resources</b>		<b>109,693</b>	<b>-</b>	<b>3,950,359</b>	<b>12,019</b>	<b>4,072,071</b>	<b>3,993,664</b>
<b>Resources expended</b>							
<i>Charitable activities:</i>							
Academy's educational operations	7	116,463	39,000	3,741,294	138,072	4,034,829	3,959,698
Governance costs	8	-	-	7,740	-	7,740	9,350
<b>Total resources expended</b>	6	<b>116,463</b>	<b>39,000</b>	<b>3,749,034</b>	<b>138,072</b>	<b>4,042,569</b>	<b>3,969,048</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(6,770)</b>	<b>(39,000)</b>	<b>201,325</b>	<b>(126,053)</b>	<b>29,502</b>	<b>24,616</b>
Gross transfers between funds	15	-	-	(96,762)	96,762	-	-
<b>Net income/(expenditure) for the year</b>		<b>(6,770)</b>	<b>(39,000)</b>	<b>104,563</b>	<b>(29,291)</b>	<b>29,502</b>	<b>24,616</b>
<b>Other recognised gains and losses</b>							
Actuarial gains/(losses) on defined benefit pension schemes	15, 24	-	(127,000)	-	-	(127,000)	107,000
<b>Net movement in funds</b>		<b>(6,770)</b>	<b>(166,000)</b>	<b>104,563</b>	<b>(29,291)</b>	<b>(97,498)</b>	<b>131,616</b>
<b>Reconciliation of funds</b>							
Total funds brought forward at 1 September 2014	15	823,622	(730,000)	21,606	3,628,924	3,744,152	3,612,536
<b>Total funds carried forward at 31 August 2015</b>		<b>816,852</b>	<b>(896,000)</b>	<b>126,169</b>	<b>3,599,633</b>	<b>3,646,654</b>	<b>3,744,152</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 2015

	Notes	2015		2014	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		3,599,633		3,628,924
<b>Current assets</b>					
Debtors	13	184,858		197,013	
Cash at bank and in hand		<u>1,003,186</u>		<u>1,301,850</u>	
		1,188,044		1,498,863	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	<u>245,023</u>		<u>653,635</u>	
<b>Net current assets</b>			943,021		845,228
<b>Net assets excluding pension liability</b>			<u>4,542,654</u>		<u>4,474,152</u>
Pension scheme liability	24		(896,000)		(730,000)
<b>Net assets including pension liability</b>			<u><u>3,646,654</u></u>		<u><u>3,744,152</u></u>

**Funds of the academy trust :**

<b>Restricted funds</b>					
Fixed asset fund	15	3,599,633		3,628,924	
General fund	15	126,169		21,606	
Pension reserve	15	<u>(896,000)</u>		<u>(730,000)</u>	
<b>Total restricted funds</b>			2,829,802		2,920,530
<b>Unrestricted income funds</b>					
General fund	15		816,852		823,622
<b>Total funds</b>			<u><u>3,646,654</u></u>		<u><u>3,744,152</u></u>

The financial statements on pages 17 to 37 were approved by the trustees, and authorised for issue on 10 December 2015 and are signed on their behalf by:



Mohammed Hossain - Chair of Trustees

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

**Cash flow statement for the year ended 31 August 2015**

	Notes	2015 £	2014 £
Net cash inflow from operating activities	19	(197,946)	702,542
Returns on investments and servicing of finance	20	1,134	1,401
Capital expenditure	21	(101,852)	(265,739)
Increase/(decrease) in cash in the period	22	<u>(298,664)</u>	<u>438,204</u>

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

Net funds at 1 September 2014	1,301,850	863,646
Net funds at 31 August 2015	<u>1,003,186</u>	<u>1,301,850</u>

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

**Notes to the financial statements for the year ended 31 August 2015**

**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 2014 to 2015 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 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 2015 (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 2015 (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 vehicle	- 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 part 11, chapter 3 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**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2015 (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 or Department for Education.

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

**Notes to the financial statements for the year ended 31 August 2015 (continued)**

**2. Voluntary income**

	Unrestricted funds £	Total 2015 £	Total 2014 £
Other donations	2,140	2,140	-
	<u>2,140</u>	<u>2,140</u>	<u>-</u>

**3. Activities for generating funds**

	Unrestricted funds £	Total 2015 £	Total 2014 £
Catering income	54,220	54,220	81,672
Educational visits	9,158	9,158	10,792
Teaching school	4,230	4,230	1,330
Miscellaneous	38,811	38,811	11,181
	<u>106,419</u>	<u>106,419</u>	<u>104,975</u>

**4. Investment income**

	Unrestricted funds £	Total 2015 £	Total 2014 £
Short term deposits	<u>1,134</u>	<u>1,134</u>	<u>1,401</u>

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

**Notes to the financial statements for the year ended 31 August 2015 (continued)**

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

	Restricted general fund £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	3,095,462	-	3,095,462	3,226,811
Capital grants	-	12,019	12,019	12,257
Other DfE/EFA grants	569,338	-	569,338	400,914
	<u>3,664,800</u>	<u>12,019</u>	<u>3,676,819</u>	<u>3,639,982</u>
<b>Other government grants</b>				
Local authority grants	285,559	-	285,559	247,306
	<u>285,559</u>	<u>-</u>	<u>285,559</u>	<u>247,306</u>
	<u>3,950,359</u>	<u>12,019</u>	<u>3,962,378</u>	<u>3,887,288</u>

**6. Resources expended**

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2015 £	Total 2014 £
<b>Academy's educational operations</b>					
Direct costs	2,376,305	100,839	333,601	2,810,745	2,828,045
Allocated support costs	654,619	334,165	235,300	1,224,084	1,131,653
	<u>3,030,924</u>	<u>435,004</u>	<u>568,901</u>	<u>4,034,829</u>	<u>3,959,698</u>
<b>Governance costs including allocated support costs</b>					
	-	-	7,740	7,740	9,350
	<u>3,030,924</u>	<u>435,004</u>	<u>576,641</u>	<u>4,042,569</u>	<u>3,969,048</u>

	Total 2015 £	Total 2014 £
Net incoming/(outgoing) resources for the year include :		
Operating leases - plant and machinery	25,733	25,733
Fees payable to auditor - audit	7,140	7,000
- other services	-	250

Included within resources expended are compensation payments of £nil (2014 - £21,000).

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

**Notes to the financial statements for the year ended 31 August 2015 (continued)**

**7. Charitable activities**

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2015 £	Total 2014 £
<b>Direct costs - educational operations</b>					
Teaching and educational support staff	4,230	-	2,372,075	2,376,305	2,450,241
Depreciation	-	-	100,839	100,839	89,262
Technology costs	-	-	23,943	23,943	19,991
Educational supplies	20,480	-	170,153	190,633	147,602
Examination fees	-	-	-	-	467
Staff development	-	-	35,777	35,777	28,730
Educational consultancy	6,805	-	58,783	65,588	79,369
Other direct costs	4,582	-	13,078	17,660	12,383
	<u>36,097</u>	<u>-</u>	<u>2,774,648</u>	<u>2,810,745</u>	<u>2,828,045</u>
<b>Support costs - educational operations</b>					
Support staff	44,921	39,000	570,698	654,619	652,161
Depreciation	-	-	42,323	42,323	35,005
Technology costs	-	-	41,821	41,821	17,104
Recruitment and support	-	-	7,702	7,702	7,327
Maintenance of premises and equipment	-	-	131,294	131,294	84,860
Cleaning	-	-	66,294	66,294	73,509
Rent and rates	-	-	12,335	12,335	21,673
Energy costs	-	-	42,753	42,753	41,414
Insurance	-	-	28,326	28,326	26,786
Security and transport	-	-	22,022	22,022	10,831
Catering	32,972	-	49,458	82,430	72,824
Bank interest and charges	-	-	64	64	-
Other support costs	2,473	-	89,628	92,101	88,159
	<u>80,366</u>	<u>39,000</u>	<u>1,104,718</u>	<u>1,224,084</u>	<u>1,131,653</u>
<b>Total direct and support costs</b>	<u>116,463</u>	<u>39,000</u>	<u>3,879,366</u>	<u>4,034,829</u>	<u>3,959,698</u>

**8. Governance costs**

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	600	600	2,100
Auditor's remuneration				
audit of financial statements	-	7,140	7,140	7,000
other audit costs	-	-	-	250
	<u>-</u>	<u>7,740</u>	<u>7,740</u>	<u>9,350</u>

**Parkfield Academy Trust**  
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**Notes to the financial statements for the year ended 31 August 2015 (continued)**

**9. Staff**

**a) Staff costs**

Staff costs during the period were:

	Total 2015 £	Total 2014 £
Wages and salaries	2,367,489	2,440,691
Social security costs	136,837	158,022
Operating costs of defined benefit pension schemes	324,200	328,867
	<u>2,828,526</u>	<u>2,927,580</u>
Supply staff costs	202,398	153,822
Compensation payments	-	21,000
	<u>3,030,924</u>	<u>3,102,402</u>

**b) Staff severance payments**

There were no staff severance payments during the year (2014: £nil).

**c) Staff numbers**

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
<b>Charitable activities</b>		
Teachers	62	66
Administration and support	24	23
Management	3	3
	<u>89</u>	<u>92</u>

**d) Higher paid staff**

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

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

2 (2014 - 2) of these employees participated in the Teachers' Pension Scheme.

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

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

**Notes to the financial statements for the year ended 31 August 2015 (continued)**

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

The value of trustees' remuneration and other benefits was as follows :

Ms H Pulley (principal and trustee)		
Remuneration	2015 : £95,000 - £100,000	(2014 : £90,000 - £95,000)
Employer's pension contributions	2015 : £10,000 - £15,000	(2014 : £10,000 - £15,000)
Ms A Collins (staff trustee, appointed 21/05/14)		
Remuneration	2015 : £30,000 - £35,000	(2014 : £5,000 - £10,000)
Employer's pension contributions	2015 : £0 - £5,000	(2014 : £0 - £5,000)
Ms S Sheikh (staff trustee, appointed 07/10/14)		
Remuneration	2015 : £15,000 - £20,000	
Employer's pension contributions	2015 : £0 - £5,000	

During the year ended 31 August 2015, travel and subsistence expenses totalling £nil (2014 - £nil) were reimbursed or paid directly to no (2014 - none) trustees. 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 2015 was £80 (2014 - £150). 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 2014	3,585,639	65,349	136,652	36,910	3,824,550
Additions	27,726	6,840	87,305	-	121,871
Disposals	-	-	(43,415)	-	(43,415)
At 31 August 2015	3,613,365	72,189	180,542	36,910	3,903,006
<b>Depreciation</b>					
At 1 September 2014	112,333	12,321	57,131	13,841	195,626
Charge for the year	72,083	13,413	46,809	5,767	138,072
Released by disposals	-	-	(30,325)	-	(30,325)
At 31 August 2015	184,416	25,734	73,615	19,608	303,373
<b>Net book values</b>					
At 31 August 2015	3,428,949	46,455	106,927	17,302	3,599,633
At 31 August 2014	3,473,306	53,028	79,521	23,069	3,628,924

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

**Notes to the financial statements for the year ended 31 August 2015 (continued)**

**12. Tangible fixed assets (continued)**

Leasehold property was valued at 1 January 2013 by CBRE Limited and the fittings and equipment, computer equipment and motor vehicles were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2015 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	243,365	52,783	110,219	-	406,367
	<u>3,613,365</u>	<u>72,189</u>	<u>180,542</u>	<u>36,910</u>	<u>3,903,006</u>

**13. Debtors**

	Total 2015 £	Total 2014 £
Debtors from operations	24,527	2,874
VAT recoverable	57,744	88,921
Prepayments and accrued income	102,587	104,073
Other debtors	-	1,145
	<u>184,858</u>	<u>197,013</u>

**14. Creditors : Amounts falling due within one year**

	Total 2015 £	Total 2014 £
Creditors from operations	134,010	559,990
Accruals and deferred income	66,898	72,645
Other creditors	44,115	21,000
	<u>245,023</u>	<u>653,635</u>
<b>Deferred income</b>		
Deferred income at 1 September 2014	40,807	-
Resources deferred in the year	48,690	40,807
Amounts released from previous years	(40,807)	-
Deferred income at 31 August 2015	<u>48,690</u>	<u>40,807</u>

At the balance sheet date the academy trust was holding funds received in advance from the Education Funding Agency for autumn 2015 free school meals.

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

**Notes to the financial statements for the year ended 31 August 2015 (continued)**

**15. Funds**

	Balance at 31 August 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	21,606	3,095,462	(2,894,137)	(96,762)	126,169
Other EFA grants	-	569,338	(569,338)	-	-
Other government grants	-	285,559	(285,559)	-	-
	<u>21,606</u>	<u>3,950,359</u>	<u>(3,749,034)</u>	<u>(96,762)</u>	<u>126,169</u>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion	3,324,929	-	(86,779)	-	3,238,150
EFA capital grants	22,375	12,019	(5,583)	-	28,811
Capital expenditure from GAG	281,620	-	(45,710)	96,762	332,672
	<u>3,628,924</u>	<u>12,019</u>	<u>(138,072)</u>	<u>96,762</u>	<u>3,599,633</u>
<b>Restricted pension funds</b>	<u>(730,000)</u>	<u>-</u>	<u>(39,000)</u>	<u>(127,000)</u>	<u>(896,000)</u>
<b>Total restricted funds</b>	<u>2,920,530</u>	<u>3,962,378</u>	<u>(3,926,106)</u>	<u>(127,000)</u>	<u>2,829,802</u>
<b>Unrestricted funds</b>					
Other income	823,622	109,693	(116,463)	-	816,852
<b>Total unrestricted funds</b>	<u>823,622</u>	<u>109,693</u>	<u>(116,463)</u>	<u>-</u>	<u>816,852</u>
<b>Total funds</b>	<u>3,744,152</u>	<u>4,072,071</u>	<u>(4,042,569)</u>	<u>(127,000)</u>	<u>3,646,654</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 2015.

The trust is carrying a net surplus of £126,169 on restricted general funds (excluding pension reserve).

**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.

The trust is carrying a net surplus of £816,852 on unrestricted general funds.

**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 2015 (continued)**

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

Fund balances at 31 August 2015  
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	3,599,633	3,599,633
Current assets	816,852	-	371,192	-	1,188,044
Current liabilities	-	-	(245,023)	-	(245,023)
	<u>816,852</u>	<u>-</u>	<u>126,169</u>	<u>3,599,633</u>	<u>4,542,654</u>
Pension scheme liability	-	(896,000)	-	-	(896,000)
<b>Total net assets</b>	<u>816,852</u>	<u>(896,000)</u>	<u>126,169</u>	<u>3,599,633</u>	<u>3,646,654</u>

**17. Capital commitments**

There were no capital commitments at 31 August 2015 (2014 - £22,000).

**18. Financial commitments**

At 31 August 2015 the academy trust had annual  
commitments under non-cancellable operating  
leases as follows:

	Other	
	Total 2015 £	Total 2014 £
Expiring within one year	1,872	-
Expiring within two to five years inclusive	23,861	25,733
	<u>25,733</u>	<u>25,733</u>

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

	Total 2015 £	Total 2014 £
Net income/(expenditure)	29,502	24,616
Depreciation (note 12)	138,072	124,267
Loss on disposal of fixed assets	5,090	-
Capital grants from EFA and other capital income	(12,019)	(12,257)
Interest receivable (note 4)	(1,134)	(1,401)
FRS 17 actuarial movements (note 24)	39,000	67,000
Decrease / (increase) in debtors	12,155	(109,870)
Increase / (decrease) in creditors	(408,612)	610,187
<b>Net cash provided by / (used in) operating activities</b>	<u>(197,946)</u>	<u>702,542</u>

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**Notes to the financial statements for the year ended 31 August 2015 (continued)**

**20. Returns on investments and servicing of finance**

	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>
Interest received	1,134	1,401
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>1,134</b>	<b>1,401</b>

**21. Capital expenditure and financial investment**

	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	(121,871)	(277,996)
Sale of tangible fixed assets	8,000	-
Capital grants from EFA	12,019	12,257
<b>Net cash (outflow) from capital expenditure and financial investment</b>	<b>(101,852)</b>	<b>(265,739)</b>

**22. Analysis of changes in net funds**

	<b>At 1 September 2014</b>	<b>Cash flows</b>	<b>At 31 August 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,301,850	(298,664)	1,003,186
	<u>1,301,850</u>	<u>(298,664)</u>	<u>1,003,186</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 trust'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 multi-employer 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 2012 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 2015 (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

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.

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £179,589 (2014 - £182,174).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust 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 2015 (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £153,000, of which employer's contributions totalled £110,000 and employees' contributions totalled £43,000. The agreed contribution rates for future years for employees are between 5.5% and 11.4%.

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 trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 29 years.

**Principal actuarial assumptions**

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
Rate of increase in salaries	4.15%	3.95%
Rate of increase for pensions in payment / inflation	2.40%	2.20%
Discount rate for scheme liabilities	4.00%	4.00%
Inflation assumption (CPI)	2.40%	2.20%
Commutation of pensions to lump sums	50.00%	50.00%

**Sensitivity analysis**

	<b>As disclosed</b>	<b>Discount rate</b>	<b>Pension increases</b>	<b>In life expectancy</b>
		<b>+ 0.1% pa</b>	<b>+ 0.1% pa</b>	<b>+ 1 year</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Present value of total obligation	2,124	2,066	4,309	2,179
Projected service cost	154	150	312	158
		<b>- 0.1% pa</b>	<b>- 0.1% pa</b>	<b>- 1 year</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Present value of total obligation	2,124	2,184	2,251	2,071
Projected service cost	154	158	150	150

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 2015</b>	<b>At 31 August 2014</b>
Retiring today		
Males	23.0	22.9
Females	25.2	25.5
Retiring in 20 years		
Males	25.6	25.1
Females	28.0	27.8

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**Notes to the financial statements for the year ended 31 August 2015 (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 2015	Fair value at 31 August 2015 £	Expected return at 31 August 2014	Fair value at 31 August 2014 £
Equities		735,000	7.00%	463,000
Government bonds		91,000	2.90%	81,000
Other bonds		124,000	3.80%	106,000
Property		104,000	6.20%	89,000
Cash		61,000	0.50%	45,000
Other		113,000	7.00%	243,000
<b>Total market value of assets</b>	<b>5.90%</b>	<b>1,228,000</b>		<b>1,027,000</b>
Present value of scheme liabilities				
- Funded		(2,124,000)		(1,757,000)
<b>Surplus/(deficit) in the scheme</b>		<b>(896,000)</b>		<b>(730,000)</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 £50,000 (2014 - £79,000).

	2015 £	2014 £
<b>Amounts recognised in the statement of financial activities</b>		
Current service cost (net of employee contributions)	140,000	124,000
Past service cost	-	-
<b>Total operating charge</b>	<b>140,000</b>	<b>124,000</b>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	65,000	44,000
Interest on pension liabilities	(74,000)	(74,000)
<b>Pension finance income/(costs)</b>	<b>(9,000)</b>	<b>(30,000)</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 £2,000 (2014 - £125,000 gain) loss.

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**Notes to the financial statements for the year ended 31 August 2015 (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>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2014</b>	1,757,000	1,474,000
Current service cost	140,000	124,000
Interest cost	74,000	74,000
Employee contributions	43,000	41,000
Actuarial loss	112,000	44,000
Benefits/transfers paid	(2,000)	-
<b>At 31 August 2015</b>	<b>2,124,000</b>	<b>1,757,000</b>

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2014</b>	1,027,000	704,000
Expected return on assets	65,000	44,000
Actuarial (loss)	(15,000)	151,000
Employer contributions	110,000	87,000
Employee contributions	43,000	41,000
Benefits/transfers paid	(2,000)	-
<b>At 31 August 2015</b>	<b>1,228,000</b>	<b>1,027,000</b>

<b>Net pension scheme liability</b>	<b>(896,000)</b>	<b>(730,000)</b>
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The estimated value of employer contributions for the year ended 31 August 2016 is £105,000.

**The history of experience adjustments is as follows:**

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Present value of defined benefit obligations	(2,124,000)	(1,757,000)	(1,474,000)
Fair value of share of scheme assets	1,228,000	1,027,000	704,000
<b>Deficit in the scheme</b>	<b>(896,000)</b>	<b>(730,000)</b>	<b>(770,000)</b>
 Experience adjustments on share of scheme assets (£)	 (15,000)	 151,000	 29,000
 Experience adjustments on scheme liabilities (£)	 -	 138,000	 -

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**Notes to the financial statements for the year ended 31 August 2015 (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 the trust 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.