

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014
FOR**

KING WILLIAM STREET CE PRIMARY SCHOOL

King William Street CE Primary School

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For The Year Ended 31 August 2014**

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King William Street CE Primary School

Reference And Administrative Details
For The Year Ended 31 August 2014

MEMBERS S B Berry (until 20/10/2013)
Mrs M A Clarke
G M Evans
Mrs S L Robins
Reverend S M Stevenette
J B Neill (from 10/07/2014)

The following trustees held office for the whole period unless otherwise indicated:

TRUSTEES S B Berry (Marketing Manager) (resigned 20/10/2013)
Mrs M A Clarke (Headteacher and Accounting Officer) *
G M Evans (Director) *
Mrs S L Robins (Teacher)
Reverend S M Stevenette (Vicar)
J B Neill (appointed 10/07/2014) *

* Indicates members of the finance committee

SENIOR LEADERSHIP TEAM Mrs M A Clarke (Headteacher)
Mrs Pleded (Deputy Head)

REGISTERED OFFICE King William Street
Swindon
Wiltshire
SN1 3LB

REGISTERED COMPANY NUMBER 08117139 (England and Wales)

AUDITORS Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

BANKERS Lloyds
82 Regent Street
Swindon
Wiltshire
SN1 1JZ

King William Street CE Primary School

Report Of The Trustees **For The Year Ended 31 August 2014**

The trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2014. 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 ages 5 to 11 in Swindon.

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 company was incorporated on 25th June 2012 and converted on the 1st August 2012.

The governors act as the trustees for the charitable activities of King William Street CE Primary School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as King William Street CE Primary School.

Details of the governors who served throughout the year are included in the Governance Statement on page 9.

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.

Governors' Indemnities

The School has purchased Governors' Liability Insurance (£2,000,000) and Fidelity Guarantee cover (£250,000 Governors and Employees).

Method of Recruitment and Appointment or Election of Governors

The Academy Trust shall have the following Governors as set out in its articles of association and funding agreement:

Up to 3 Governors appointed under Article 50

Up to 2 Foundation Governors appointed by the Diocesan Board of Education (after consultation with the Parochial Church Council of the ecclesiastical Parish Church of Christchurch with St Mary's Swindon. Charity Commission registration number 1134032

2 staff Governors providing that the total number of staff Governors, including the Principal, doesn't exceed one third of the total number of Governors.

Up to 5 Parent Governors who must be elected by parents of registered pupils at the Academy and must be a parent of a pupil at the time of election.

The Principal

Up to 2 co-opted Governors

Up to 3 Governors appointed by the Members

In addition the Secretary of State has power to appoint Governors

There are currently 12 Governors appointed.

The term of office for any Governor is 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or reelected.

King William Street CE Primary School

Report Of The Trustees - Continued **For The Year Ended 31 August 2014**

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

Organisational Structure

The Academy has a leadership structure which consists of the Governors, The Senior Leadership Team and Subject Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Head teacher is the Accounting Officer.

The Senior Leadership Team (SLT) consists of the Head teacher and Deputy Head teacher. The SLT controls the Academy at an executive level implementing the policies laid down by the Governors, and reporting back to them.

The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Head teacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

Risk Management

During the year ended 31 August 2014, a risk register has been prepared to identify the major risks to which the school is exposed. The risk register has recently been reviewed and will enable risks relating to teaching provision, operational areas and its finances to be monitored.

Where significant risk still remains the school has ensured that it has adequate insurance cover. The school has an effective system of internal financial control and this is explained in more detail in the Statement of internal control.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of King William Street CE Primary School Academy Trust. The school is a member of the Diocese of Bristol Academies Company. There are no sponsors or formal PTA. However, there is a Supporters of King William Street group who fundraise for the benefit of the school.

Objectives and Activities

Objects and Aims

The principal object of the charitable company is the operation of King William Street CE Primary School, to provide education and care for pupils of different abilities between the ages of 5 and 11 years.

In accordance with the articles of association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things:

- that the school has a curriculum satisfying the requirements of section 78 of Education Act 2002 (balanced and broadly based curriculum);
- that it provides education for pupils of different abilities; and

King William Street CE Primary School

Report Of The Trustees - Continued For The Year Ended 31 August 2014

- that it provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

The aims of the Academy during the year ended 31 August 2014 are summarised below.

At King William Street CE Primary School, we aim to enrich every child's school experience and prepare them for the opportunities, responsibilities and challenges of adult life. This is achieved within a Christian ethos where all feel valued, safe and secure, and where diversity is celebrated. We are committed to the provision of a caring, safe, healthy and well structured, well resourced learning environment and the promotion of high standards and achievement for all.

In order to achieve this, we will:

- seek to acquire knowledge and understanding in all areas of learning and experience;
- seek to develop a wide range of skills and to become an independent learner;
- seek to foster an enthusiastic attitude to learning and greater self-confidence in applying skills and knowledge; and
- seek to encourage the ability to work, play and communicate with others and form caring, harmonious relationships

Objectives, Strategies and Activities

Key priorities for the year are contained in our School Development Plan. Our five main priorities for the coming year are:

- to improve the quality of teaching and learning so that much of the teaching in all key stages and most subjects is outstanding and never less than consistently good
- to improve teaching and learning to reflect the changes in the new 'Computing Programme of Study'
- to continue to raise standards of mathematics and literacy across the school
- to achieve the Dyslexia Friendly Quality Mark
- to achieve the Anti Bullying accreditation

Public Benefit

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission general guidelines on public benefit.

STRATEGIC REPORT

Achievements and Performance incorporating Key Financial Performance Indicators

The Academy is in its second year of operation. The total number of students in the period ended 31 August 2014 was 196. The Academy is full in the majority of classes across all year groups and has a waiting list in operation.

King William Street CE Primary School has achieved high standards in children's attainment over the past few years. In 2014 overall attainment was above the National average with 81% attaining level 4+ in reading, writing and maths combined.

Progress indicators from KS1 to KS2 were above national average in reading (92%) and maths (92%) but slightly below in writing (88%).

King William Street CE Primary School

Report Of The Trustees - Continued
For The Year Ended 31 August 2014

% at each level cohort 26					
	Below level 3*	3	4	5	6
	13/14	13/14	13/14	13/14	13/14
Reading	8	4	26	62	0
Writing	8	4	26	62	0
Mathematics	8	8	39	42	4

Going Concern

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

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total income for the year was £940,766 (2013: 13 month period £948,941 which included £34,139 of fixed assets, LGPS pension scheme deficit and other assets upon conversion). Total expenditure for the year was £814,410 (2013: 13 month period £903,825).

In April 2014 the academy was successful in securing £80,548 funding from the Academies Capital Maintenance Fund for the extension of the school kitchen to cater for all Key Stage 1 children free school meals under the Universal Infant Free School Meals scheme. The extension was completed in November 2014.

Financial and Risk Management Objectives and Policies

Governors keep spendable reserves under constant review to ensure that they have sufficient income to run the Academy on an efficient basis without affecting the quality of teaching and learning.

Principal Risks and Uncertainties

Governors have considered the principle risks and uncertainties that the Academy may be exposed to. Policies and controls have been designed so that these risks and uncertainties can be quickly identified, allowing the Academy to respond swiftly in order to eliminate them.

King William Street CE Primary School

Report Of The Trustees - Continued
For The Year Ended 31 August 2014

Reserves Policy

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

The governors aim to maintain free reserves to ensure that there is sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. As at 31st August 2014, the Academy had free reserves (total funds less the amount held in fixed assets and restricted funds) of £85,522 (2013: £68,036).

The funding of the Local Government Pension Scheme remains the major non-operational financial risk. The pension reserve is £118,000 in deficit.

The Academy's non teaching staff are entitled to enter the Local Government Pension Scheme. The Academy's share of the scheme assets is currently assessed to be less than its share of the scheme liabilities and consequently the Academy's balance sheet shows a significant liability in this respect. However the deficit does not mean that an immediate liability is about to crystallise. The contribution rate to reduce this deficit is calculated by an independent actuary and will be paid over a period of time via additional pension contributions as part of a longer term deficit reduction plan.

Investment Policy

There are no material investments held by the Academy.

Plans for Future Periods

The Academy will continue striving to improve the levels of performance of its pupils at all levels and will continue its efforts to ensure its pupils get the best start to their education.

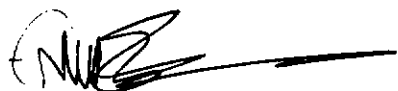
Full details of our plans for the future are given in our School Development Plan as previously described in this report.

Auditor

In so far as the trustees are aware:

there is no relevant audit information of which the charitable company's auditor is unaware; and the governors 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 company directors, on ~~31st December 2014~~ and signed on its behalf by:



G M Evans - Chair

King William Street CE Primary School

Governance Statement
For The Year Ended 31 August 2014

Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to the Head teacher, 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 King William Street CE Primary School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The governing body has formally met 13 times during the period. Attendance during the year at meetings of the governing body was as follows:

GOVERNOR	MEETINGS ATTENDED	OUT OF A POSSIBLE
Simon Stevenette	6	13
Sally Robins	8	13
Jo Bankes	12	13
Steve Berry	2	2 (left 20/10/2013)
Greg Evans	12	13
Sue Jones	12	13
Margaret Clarke	13	13
Zoe Gammon	9	13
Beckie Watts	9	13
Lynda Fisher	12	13
Dave Jell	11	13
James Neill	12	13

The Finance Committee is a sub-committee of the main governing body. Its purpose is:-

- to recommend the annual budget to the full governing body
- to monitor the implementation of budget plan and variances
- to approve spending between certain limits.

Attendance at meetings this year follows

GOVERNOR	MEETINGS ATTENDED	OUT OF A POSSIBLE
Steve Berry	1	1 (left 20/10/2013)
Lynda Fisher	5	6
Greg Evans	6	6
Margaret Clarke	6	6
James Neill	6	6

King William Street CE Primary School

Governance Statement - Continued
For The Year Ended 31 August 2014

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in King William Street CE Primary School for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

The School'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 bi monthly financial reports which are reviewed and agreed by the governing body;
- 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 governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed FS4S as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. The RO reports are presented to the Governing Body.

The RO performed detailed reviews in accordance with EFA Guidance during the year ended 31 August 2014. There were no material control issues identified however some best practice amendments and improvements to the documentation of controls were put forward and have been implemented. The RO review function is to be performed on a quarterly basis going forward.

King William Street CE Primary School

Governance Statement - Continued
For The Year Ended 31 August 2014

Review of Effectiveness

As accounting officer, 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 financial management and governance self-assessment process;
- the work of the executive managers within the School 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 governing body on and signed on its behalf by:



G M Evans - Chair

03/12/2014



Mrs M A Clarke - Accounting officer

2/12/14

King William Street CE Primary School

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

As accounting officer of King William Street CE Primary School I have considered my responsibility to notify the charitable company board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

M.A. Clarke.....
Mrs M A Clarke - Accounting Officer

Date: 2/12/14.....

King William Street CE Primary School

Statement of Trustees Responsibilities
for the Year Ended 31 August 2014

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

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

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

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

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 3rd December 2014 and signed on it's behalf by:



.....
G M Evans - Trustee

Report of the Independent Auditors to the Members of
King William Street CE Primary School

We have audited the financial statements of King William Street CE Primary School for the year 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 Accounts Direction 2013 to 2014 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page thirteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

Report of the Independent Auditors to the Members of
King William Street CE Primary School

Matters on which we are required to report by exception

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

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



S G Fraser (Senior Statutory Auditor)
for and on behalf of Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 16th December 2014

**Independent Reporting Accountant's Assurance Report on Regularity to
King William Street CE Primary School and the Education Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King William Street CE Primary School 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 King William Street CE Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King William Street CE Primary School 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 King William Street CE Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of King William Street CE Primary School's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matter that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2013 to 2014 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Academy's Governors.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks

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.

Monahans
Chartered Accountants
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 12th December 2014

King William Street CE Primary School

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

		Unrestricted funds £	Restricted funds £	Fixed asset fund £	Year Ended 31.8.14 Total funds £	Period 25.6.12 to 31.8.13 Total funds £
	Notes					
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	4,756	-	-	4,756	3,577
Voluntary income - Transfer from Local Authority on conversion		-	-	-	-	34,139
Activities for generating funds	3	18,373	-	-	18,373	37,360
Investment income	4	418	-	-	418	326
Incoming resources from charitable activities						
Academy's educational operations	5	<u>23,828</u>	<u>805,168</u>	<u>88,223</u>	<u>917,219</u>	<u>873,539</u>
Total incoming resources		47,375	805,168	88,223	940,766	948,941
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising trading: cost of goods sold and other costs	7	-	-	-	-	5,410
Charitable activities						
Academy's educational operations		29,889	755,173	16,548	801,610	875,892
Governance costs	9	<u>-</u>	<u>12,800</u>	<u>-</u>	<u>12,800</u>	<u>22,523</u>
Total resources expended	6	<u>29,889</u>	<u>767,973</u>	<u>16,548</u>	<u>814,410</u>	<u>903,825</u>
NET INCOMING/(OUTGOING) RESOURCES						
		17,486	37,195	71,675	126,356	45,116
Gross transfers between funds	18	<u>-</u>	<u>(34,158)</u>	<u>34,158</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources before other recognised gains and losses		17,486	3,037	105,833	126,356	45,116
Other recognised gains/losses						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>(49,000)</u>	<u>-</u>	<u>(49,000)</u>	<u>-</u>
Net movement in funds		17,486	(45,963)	105,833	77,356	45,116

The notes form part of these financial statements

King William Street CE Primary School

Statement of Financial Activities - continued
for the Year Ended 31 August 2014

	Notes	Unrestricted funds £	Restricted funds £	Fixed asset fund £	Year Ended 31.8.14 Total funds £	Period 25.6.12 to 31.8.13 Total funds £
RECONCILIATION OF FUNDS						
Total funds brought forward		68,036	(43,729)	20,809	45,116	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD		<u>85,522</u>	<u>(89,692)</u>	<u>126,642</u>	<u>122,472</u>	<u>45,116</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

King William Street CE Primary School
Registered company number: 08117139 (England and Wales)

Balance Sheet
At 31 August 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	13	71,862	20,810
CURRENT ASSETS			
Debtors	14	88,641	62,765
Cash at bank		<u>203,526</u>	<u>136,549</u>
		292,167	199,314
CREDITORS			
Amounts falling due within one year	15	(123,557)	(106,008)
		<u>168,610</u>	<u>93,306</u>
NET CURRENT ASSETS			
		240,472	114,116
TOTAL ASSETS LESS CURRENT LIABILITIES			
PENSION LIABILITY	19	(118,000)	(69,000)
		<u>122,472</u>	<u>45,116</u>
NET ASSETS			
FUNDS	18		
Unrestricted funds		85,522	68,036
Restricted funds:			
Fixed asset funds		126,643	20,809
General funds		28,307	25,271
Pension reserve		<u>(118,000)</u>	<u>(69,000)</u>
Total restricted funds		36,950	(22,920)
		<u>122,472</u>	<u>45,116</u>
TOTAL FUNDS			

The financial statements were approved by the Board of Trustees on 3rd December 2014 and were signed on its behalf by:



.....
G M Evans - Trustee

The notes form part of these financial statements

King William Street CE Primary School

Cash Flow Statement
for the Year Ended 31 August 2014

		Year Ended 31.8.14 £	Period 25.6.12 to 31.8.13 £
Net cash inflow/(outflow) from operating activities	Notes 21	44,362	(7,729)
Cash transferred on conversion to an academy		-	72,598
Returns on investments and servicing of finance	22	418	326
Capital expenditure and financial investment	22	22,197	71,354
		<u>66,977</u>	<u>136,549</u>
Increase in cash in the period		<u>66,977</u>	<u>136,549</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	23		
Increase in cash in the period		<u>66,977</u>	<u>136,549</u>
Change in net debt resulting from cash flows		<u>66,977</u>	<u>136,549</u>
Movement in net debt in the period		66,977	136,549
Net debt at 1 September		<u>136,549</u>	-
Net debt at 31 August		<u>203,526</u>	<u>136,549</u>

The notes form part of these financial statements

King William Street CE Primary School

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

1. ACCOUNTING POLICIES

Accounting convention

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 Education Funding Agency 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 Academy 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 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.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy are recognised at an estimate of their gross value in the period in which they are receivable as incoming resources, where the benefit to the Academy 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's accounting policies.

King William Street CE Primary School

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

1. ACCOUNTING POLICIES - continued

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

These are costs incurred on the Academy's educational operations.

Governance costs

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Fixtures, fittings and equipment 5 years
ICT equipment 3 years
Property improvements 20 years

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.

The Bristol Diocese own the freehold of the school building. There is no lease agreement or licence for use between the academy and the Diocese. Therefore the building has not been shown as an asset of the academy.

Taxation

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

King William Street CE Primary School

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

1. ACCOUNTING POLICIES - continued

Fund accounting

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

Restricted fixed asset funds are 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 comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from Education Funding Agency and Department for Education.

Pension costs and other post-retirement benefits

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

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

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

2. VOLUNTARY INCOME

			Year Ended 31.8.14	Period 25.6.12 to 31.8.13
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Donations	<u>4,756</u>	<u>-</u>	<u>4,756</u>	<u>3,577</u>

King William Street CE Primary School

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	Year Ended 31.8.14 Total funds £	Period 25.6.12 to 31.8.13 Total funds £
Hire of facilities	499	-	499	495
Other income	13,624	-	13,624	27,709
Insurance income	<u>4,250</u>	<u>-</u>	<u>4,250</u>	<u>9,156</u>
	<u>18,373</u>	<u>-</u>	<u>18,373</u>	<u>37,360</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Year Ended 31.8.14 Total funds £	Period 25.6.12 to 31.8.13 Total funds £
Deposit account interest	<u>418</u>	<u>-</u>	<u>418</u>	<u>326</u>

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

	Unrestricted funds £	Restricted funds £	Year Ended 31.8.14 Total funds £	Period 25.6.12 to 31.8.13 Total funds £
Grants	-	871,649	871,649	841,633
School trips	-	21,742	21,742	8,060
Catering	23,828	-	23,828	23,108
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>738</u>
	<u>23,828</u>	<u>893,391</u>	<u>917,219</u>	<u>873,539</u>

King William Street CE Primary School

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

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

An analysis of grants received is given below:

			Year Ended 31.8.14	Period 25.6.12 to 31.8.13
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	703,608	703,608	683,805
Other DfE/EFA grants	-	<u>45,800</u>	<u>45,800</u>	<u>28,013</u>
	-	749,408	749,408	711,818
DfE/EFA capital grant				
DfE/EFA capital grants	-	88,224	88,224	79,356
Other government grant				
Local authority	-	7,824	7,824	27,490
Special educational needs	-	<u>26,193</u>	<u>26,193</u>	<u>22,969</u>
	-	<u>34,017</u>	<u>34,017</u>	<u>50,459</u>
	-	<u><u>871,649</u></u>	<u><u>871,649</u></u>	<u><u>841,633</u></u>

6. RESOURCES EXPENDED

				Period 25.6.12 to 31.8.13
	Staff costs £	Non-pay expenditure Premises £	Other costs £	Total £
Costs of generating funds				
Fundraising trading; cost of goods sold and other costs	-	-	-	5,410
Charitable activities				
Academies educational operations				
Direct costs	475,973	-	132,873	608,846
Allocated support costs	<u>128,276</u>	<u>33,553</u>	<u>30,935</u>	<u>271,500</u>
	604,249	33,553	163,808	881,302
Governance costs including allocated support costs	-	-	<u>12,800</u>	<u>22,523</u>
	<u><u>604,249</u></u>	<u><u>33,553</u></u>	<u><u>176,608</u></u>	<u><u>903,825</u></u>

King William Street CE Primary School

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

6. RESOURCES EXPENDED - continued

Net resources are stated after charging/(crediting):

	Year Ended 31.8.14 £	Period 25.6.12 to 31.8.13 £
Auditors' remuneration	5,815	5,640
Depreciation - owned assets	<u>14,975</u>	<u>10,509</u>

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total	Individual items above £5,000	
		Amount	Reason
Ex-gratia/compensation payments	-	-	-
Gifts made by the trust	-	-	-
Fixed asset losses	-	-	-
Stock losses	-	-	-
Unrecoverable debts	-	-	-
Cash losses	-	-	-

7. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

			Year Ended 31.8.14	Period 25.6.12 to 31.8.13
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Staff costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,410</u>

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

			Year Ended 31.8.14	Period 25.6.12 to 31.8.13
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Direct costs - academy's educational operations				
Teaching and educational support staff	-	475,973	475,973	510,684
Depreciation	-	12,248	12,248	-
Technology costs	-	6,011	6,011	20,910
Educational supplies	1,775	105,905	107,680	64,750
Staff development	<u>-</u>	<u>6,934</u>	<u>6,934</u>	<u>8,048</u>
	1,775	607,071	608,846	604,392

King William Street CE Primary School

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

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - continued

			Year Ended 31.8.14	Period 25.6.12 to 31.8.13 Total funds £
	Unrestricted funds £	Restricted funds £	Total funds £	
Allocated support costs - academy's educational operations				
Support staff costs	23,566	104,710	128,276	110,960
Depreciation	-	2,727	2,727	10,509
Technology costs	-	1,659	1,659	2,388
Recruitment and support	-	6,485	6,485	13,817
Maintenance of premises and equipment	-	4,503	4,503	93,190
Cleaning	-	3,281	3,281	4,445
Rent and rates	-	761	761	4,741
Energy costs	-	10,796	10,796	11,106
Insurance	4,250	9,962	14,212	9,931
Catering	262	10,371	10,633	10,413
Other support costs	<u>36</u>	<u>9,395</u>	<u>9,431</u>	<u>-</u>
	<u>28,114</u>	<u>164,650</u>	<u>192,764</u>	<u>271,500</u>
	<u>29,889</u>	<u>771,721</u>	<u>801,610</u>	<u>875,892</u>

9. GOVERNANCE COSTS

			Year Ended 31.8.14	Period 25.6.12 to 31.8.13 Total funds £
	Unrestricted funds £	Restricted funds £	Total funds £	
Accountancy	-	-	-	3,928
Auditors' remuneration	-	5,815	5,815	5,640
Legal fees	<u>-</u>	<u>6,985</u>	<u>6,985</u>	<u>12,955</u>
	<u>-</u>	<u>12,800</u>	<u>12,800</u>	<u>22,523</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

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. The value of trustees' remuneration was as follows:

	Gross salary	Employer's pension contributions	Total	2013
Mrs M A Clarke (Headteacher and trustee):	£55k - £60k	£5k - £10k	£65k - £70k	£55k - £60k

Trustees' expenses

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

King William Street CE Primary School

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

11. STAFF COSTS

	Year Ended 31.8.14 £	Period 25.6.12 to 31.8.13 £
Wages and salaries	493,913	501,026
Social security costs	25,038	27,034
Other pension costs	<u>80,136</u>	<u>78,319</u>
	599,087	606,379
Supply teacher costs	<u>5,162</u>	<u>20,675</u>
	<u>604,249</u>	<u>627,054</u>

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

	Year Ended 31.8.14	Period 25.6.12 to 31.8.13
Teachers	7	7
Administration & support	2	2
Management	<u>2</u>	<u>2</u>
	<u>11</u>	<u>11</u>

No employees received emoluments in excess of £60,000.

The average number of persons employed by the Academy during the year was:

	2014 Number	2013 Number
Teachers	8	8
Administration and support	3	3
Management	<u>2</u>	<u>2</u>
	<u>13</u>	<u>13</u>

There were no staff restructuring costs and no non-statutory / non-contractual severance payments.

12. 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 £550 (2013: £550). The cost of this insurance is included in the total insurance cost.

King William Street CE Primary School

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

13. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Asset under construction £	Computer equipment £	Totals £
COST					
At 1 September 2013	-	15,416	-	15,903	31,319
Additions	<u>39,062</u>	<u>822</u>	<u>15,483</u>	<u>10,660</u>	<u>66,027</u>
At 31 August 2014	<u>39,062</u>	<u>16,238</u>	<u>15,483</u>	<u>26,563</u>	<u>97,346</u>
DEPRECIATION					
At 1 September 2013	-	4,771	-	5,738	10,509
Charge for year	<u>1,953</u>	<u>4,221</u>	<u>-</u>	<u>8,801</u>	<u>14,975</u>
At 31 August 2014	<u>1,953</u>	<u>8,992</u>	<u>-</u>	<u>14,539</u>	<u>25,484</u>
NET BOOK VALUE					
At 31 August 2014	<u>37,109</u>	<u>7,246</u>	<u>15,483</u>	<u>12,024</u>	<u>71,862</u>
At 31 August 2013	<u>-</u>	<u>10,645</u>	<u>-</u>	<u>10,165</u>	<u>20,810</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
VAT	16,490	8,932
Prepayments and accrued income	<u>72,151</u>	<u>53,833</u>
	<u>88,641</u>	<u>62,765</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	49,390	83,490
Social security and other taxes	7,827	8,488
Other creditors	4,429	3,428
Accruals and deferred income	<u>61,911</u>	<u>10,602</u>
	<u>123,557</u>	<u>106,008</u>
Deferred income		
		£
Deferred Income at 1 September 2013		10,603
Resources deferred in the year		43,157
Amounts released from previous years		<u>(10,603)</u>
Deferred Income at 31 August 2014		<u>43,157</u>

King William Street CE Primary School

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

16. MEMBERS' LIABILITY

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Fixed asset fund	Total 2014 funds	Total 2013 funds
	£	£	£	£	£
Fixed assets	-	-	71,862	71,862	20,810
Current assets	85,522	151,864	54,781	292,167	199,314
Current liabilities	-	(123,557)	-	(123,557)	(106,008)
Pension liability	-	(118,000)	-	(118,000)	(69,000)
	<u>85,522</u>	<u>(89,693)</u>	<u>126,643</u>	<u>122,472</u>	<u>45,116</u>

18. MOVEMENT IN FUNDS

	At 1.9.13	Net movement in funds	Transfers between funds	At 31.8.14
	£	£	£	£
Unrestricted funds				
Unrestricted fund	68,036	17,486	-	85,522
Restricted general funds				
General Annual Grant	25,271	37,303	(34,267)	28,307
Other DfE/EFA grants	-	(109)	109	-
Pension	(69,000)	(49,000)	-	(118,000)
	<u>(43,729)</u>	<u>(11,806)</u>	<u>(34,158)</u>	<u>(89,693)</u>
Restricted fixed asset funds				
DFE/EFA capital grants	-	84,104	-	84,104
Capital expenditure from GAG	5,303	(5,468)	34,158	33,993
Fixed assets on conversion	15,506	(6,960)	-	8,546
	<u>20,809</u>	<u>71,676</u>	<u>34,158</u>	<u>126,643</u>
Total restricted funds	(22,920)	59,870	-	36,950
TOTAL FUNDS	<u>45,116</u>	<u>77,356</u>	<u>-</u>	<u>122,472</u>

King William Street CE Primary School

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

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted fund	47,375	(29,889)	-	17,486
Restricted general funds				
General Annual Grant	703,608	(666,305)	-	37,303
Other DfE/EFA grants	45,800	(45,909)	-	(109)
Other government grants	34,017	(34,017)	-	-
Other restricted income	21,742	(21,742)	-	-
Pension	-	-	<u>(49,000)</u>	<u>(49,000)</u>
	<u>805,167</u>	<u>(767,973)</u>	<u>(49,000)</u>	<u>(11,806)</u>
Restricted fixed asset funds				
DfE/EFA capital grants	88,224	(4,120)	-	84,104
Capital expenditure from GAG	-	(5,468)	-	(5,468)
Fixed assets on conversion	-	<u>(6,960)</u>	-	<u>(6,960)</u>
	<u>88,224</u>	<u>(16,548)</u>	-	<u>71,676</u>
Total restricted funds	<u>893,391</u>	<u>(784,521)</u>	<u>(49,000)</u>	<u>59,870</u>
TOTAL FUNDS	<u>940,766</u>	<u>(814,410)</u>	<u>(49,000)</u>	<u>77,356</u>

General Annual Grant - the GAG is applied in strict accordance with the terms of the Model Funding Agreement. 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.

Other DfE/EFA grants - these include the pupil premium which is used to assist pupils from low income families and PE sports grant to fund improvements to the provision of PE and sports for primary pupils.

Other government grants - these include the special educational needs funding from Swindon Borough Council, and pupil premium from other local authorities.

Other income - this is the monies received and expended on school trips.

Pension reserve - this deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present.

DfE/EFA capital grants - this represents funding specifically provided to support capital expenditure on fixed assets.

Fixed assets on conversion - this represents the value of land, buildings and other assets transferred from the Local Authority to the academy on conversion less depreciation.

Capital expenditure from GAG - this represents the cost less depreciation of assets purchased from the GAG.

The following transfers have been made in the year:

£34,158 transferred from the 'GAG' to 'Capital expenditure from GAG' being the cost of capital additions in the year funded by the GAG.

£109 transferred from 'GAG' to 'other DfE/EFA grants' to cover the deficit on this fund.

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

19. PENSION AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The Wiltshire 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 was 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £4,429 (2013: £3,428) were payable to the schemes at 31 August and are included within creditors.

19. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

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

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £46,000, of which employer's contributions totalled £37,000 and employees' contributions totalled £9,000. The agreed contribution rates for future years are 23.1% for employers and 5.5 - 7.5% 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.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Present value of funded obligations	(346,000)	(227,000)
Fair value of plan assets	<u>228,000</u>	<u>158,000</u>
	<u>(118,000)</u>	<u>(69,000)</u>
Deficit	<u>(118,000)</u>	<u>(69,000)</u>
Liability	<u>(118,000)</u>	<u>(69,000)</u>

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2014	2013
	£	£
Current service cost	37,000	35,000
Interest cost	11,000	8,000
Expected return	<u>(11,000)</u>	<u>(6,000)</u>
	<u>37,000</u>	<u>37,000</u>
Actual return on plan assets	<u>28,000</u>	<u>16,000</u>

The actual 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 £49,000 loss (2013 - £nil).

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

	Defined benefit pension plans	
	2014	2013
	£	£
Defined benefit obligation	(227,000)	(169,000)
Current service cost	(37,000)	(35,000)
Contributions by scheme participants	(9,000)	(9,000)
Interest cost	(11,000)	(8,000)
Actuarial losses/(gains)	(63,000)	(6,000)
Benefits paid	<u>1,000</u>	<u>-</u>
	<u>(346,000)</u>	<u>(227,000)</u>

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

	Defined benefit pension plans	
	2014	2013
	£	£
Fair value of scheme assets	158,000	101,000
Contributions by employer	37,000	36,000
Contributions by scheme participants	9,000	9,000
Expected return	11,000	6,000
Actuarial gains/(losses)	14,000	6,000
Benefits paid	<u>(1,000)</u>	<u>-</u>
	<u>228,000</u>	<u>158,000</u>

King William Street CE Primary School

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Equities	161,000	113,000
Bonds	39,000	24,000
Property	23,000	16,000
Cash	<u>5,000</u>	<u>5,000</u>
	<u>228,000</u>	<u>158,000</u>

The expected return on assets were:

	at 31 August 2014	at 31 August 2013
	% p.a.	% p.a.
Equities	6.3%	6.6%
Bonds	3.4%	4.1%
Property	4.5%	4.7%
Cash	3.3%	3.6%

The expected return on assets is based on the long-term future expected investment return for each asset class.

The estimated value of employer contributions for the year ended 31 August 2015 is £37,000.

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

	2014	2013
Discount rate	3.7%	4.6%
Future salary increases	4.5%	5.1%
Future pension increases	2.7%	2.8%
Inflation (CPI)	2.9%	0%

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

	At 31 August 2014	At 31 August 2013
Current pensioners		
Males	22.3 years	21.3 years
Females	24.5 years	23.6 years
Future pensioners*		
Males	24.1 years	23.3 years
Females	26.9 years	25.5 years

* Figures assume members aged 45 as at the last formal valuation date.

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

Amounts for the current and previous period are as follows:

	2014	2013
	£	£
Defined benefit pension plans		
Defined benefit obligation	(346,000)	(227,000)
Fair value of scheme assets	228,000	158,000
Deficit	(118,000)	(69,000)
Experience adjustments on scheme liabilities	(1,000)	-
Experience adjustments on scheme assets	14,000	6,000

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumption at 31 August 2014	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	45
1 year increase in member life expectancy	3%	10
0.5% increase in the Salary Increase Rate	6%	22
0.5% increase in the Pension Increase Rate	6%	22

20. RELATED PARTY DISCLOSURES

Owing to the nature of the academy'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 / conducted at cost (from 7 November 2013) and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

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

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

	Year Ended	Period
	31.8.14	25.6.12 to 31.8.13
	£	£
Net incoming resources	126,356	45,116
Depreciation charges	14,975	10,509
Capital grants from DfE/EFA	(88,224)	(79,356)
Transfer from Local Authority on conversion	-	(27,915)
Interest received	(418)	(326)
FRS 17 pension finance income	-	2,000
Increase in debtors	(25,876)	(62,765)
Increase in creditors	17,549	106,008
Difference between pension charge and cash contributions	-	(1,000)
Net cash inflow/(outflow) from operating activities	<u>44,362</u>	<u>(7,729)</u>

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

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

	Year Ended 31.8.14 £	Period 25.6.12 to 31.8.13 £
Returns on investments and servicing of finance		
Interest received	<u>418</u>	<u>326</u>
Net cash inflow for returns on investments and servicing of finance	<u>418</u>	<u>326</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(66,027)	(8,002)
Capital grants from DfE/EFA	<u>88,224</u>	<u>79,356</u>
Net cash inflow for capital expenditure and financial investment	<u>22,197</u>	<u>71,354</u>

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.13 £	Cash flow £	At 31.8.14 £
Net cash:			
Cash at bank	136,549	66,977	203,526
	<u>136,549</u>	<u>66,977</u>	<u>203,526</u>
Total	<u>136,549</u>	<u>66,977</u>	<u>203,526</u>