

**Perry Hall Multi-Academy Trust
(formerly Perry Hall Primary School)**

Trustees Report and Financial Statements

For the 14 Month Period Ended 31 August 2014

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

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Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its trustees and Advisers
For the Period Ended 31 August 2014

Members and Trustees	A Brocklehurst, Chair of Trustees (appointed 12 June 2013) J Plant (appointed 12 June 2013, resigned 15 September 2014) R Green (appointed 12 June 2013, resigned 27 June 2013)
Trustees	A K Cheema, Executive Head Teacher (appointed 12 June 2013) B Bate (appointed 12 June 2013, resigned 31 March 2014) K Edge (appointed 12 June 2013, resigned 12 November 2013) M Edwards (appointed 31 March 2014) L Fergusson (appointed 12 June 2013, resigned 31 March 2014) C Gibbins (appointed 12 June 2013, resigned 31 March 2014) D Hodgkiss (appointed 12 June 2013, resigned 15 September 2014) J Pinkard (appointed 12 June 2013, resigned 31 March 2014) J Purawal (appointed 12 June 2013, resigned 31 March 2014) J S Sidhu (appointed 12 June 2013, resigned 16 September 2013) D Tarbuck, Vice Chair (appointed 12 June 2013) A Tranter (appointed 12 June 2013, resigned 31 March 2014) C Turner (appointed 12 June 2013, resigned 31 March 2014) Rev C Turner (appointed 12 June 2013, resigned 31 March 2014) J Williams (appointed 12 June 2013, resigned 16 October 2013)
Company registered number	08566185
Principal and registered office	Colman Avenue Wednesfield Wolverhampton West Midlands WV11 3RT
Executive Head Teacher	A K Cheema
Company secretary	A O'Rourke
Independent auditors	Dains LLP Statutory Auditor Chartered Accountants 15 Colmore Row Birmingham B3 2BH

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Trustees' Report
For the Period Ended 31 August 2014

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Perry Hall Multi-Academy Trust (the Academy) for the period ended 31 August 2014. The trustees confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and was incorporated by a Memorandum of Association on 12 June 2013. The Academy has exempt charity status and its principal regulator is the Department for Education (DfE).

On 1 July 2013 Perry Hall Primary School converted to an Academy. On 17 February 2014, the Academy changed its name to Perry Hall Multi-Academy Trust. On 1 April 2014, Berrybrook Primary School joined the Multi-Academy Trust.

The Multi-Academy Trust has extended its first accounting reference date to 31 August 2014 to coincide with the end of the academic year.

b. 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.

c. Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

On 12 June 2013 the Perry Hall Primary School Governing Body appointed the 3 Members for the newly formed Academy. The Members then appointed a number of Trustee Governors.

In accordance with the Articles of Association, the Academy's Governing Body comprises the following:

- Up to 5 Governors appointed by the Members
- Up to 3 Governors appointed in accordance with any policy decided by the Governors
- A minimum of 2 Parent Governors
- The Executive Head Teacher

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Head Teacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

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

d. Policies and procedures adopted for the induction and training of Trustees

The Board of Trustees has devised an informal induction process to ensure that all Trustees understand their roles and responsibilities. The training and induction provided for new Trustees will depend on their experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees have access to policies, procedures, minutes, budgets and other documents they will need to undertake their role as Trustees. All Trustees are subject to DBS checks.

e. Organisational structure

The Board of Trustees of the Multi-Academy Trust establishes an overall framework for the governance of the Academy and is responsible for setting general policy, adopting an annual plan and budget, monitoring the company by the use of budgets, making major decisions about the strategic directions of the company, and senior staff appointments. The Trustees are responsible for the monitoring and performance of the Executive Head Teacher on a regular basis.

The Local Governing Bodies of each of the schools are responsible for implementing the policies laid down by the Trustees and reporting back to them. The Local Governing Bodies are a mix of parents, staff and co-opted governors.

The Executive Head Teacher is the Accounting Officer.

f. Risk management

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

Objectives and Activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of Perry Hall Primary School and Berrybrook Primary School to provide education for pupils aged 3-11, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the schools offering a balanced curriculum, and to promote for the benefit of the individuals living in Wolverhampton and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interest of social welfare and with the object of improving the condition of life of the said individuals.

b. Public benefit

The Trustees confirm that they have complied with the requirement in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Achievements and performance

a. Going concern

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

Trustees' Report (continued)
For the Period Ended 31 August 2014

b. Review of activities

Some of the key achievements/developments for each school in the period ended 31 August 2014 are summarised below:

Perry Hall Primary

Assessment

- Pupils are entering the school below age related bands leaving Reception close to age related bands and leaving Key Stage 1 broadly in line with national averages hence demonstrating at least good progress
- Year 6 attainment was above national in all subject areas
- The percentage of pupils making 2 levels of progress by the end of Year 6 was above national average
- There is an upward trend in overall attainment over the last four years

Attendance

- Overall percentage of absence across the academic year was 4.5%
- The school continues to work hard at reducing the number of pupils arriving late with first day calling and every family issued with a letter if they arrive late at school

Facilities

- Successful completion of Terrific For Two's building
- Refurbishment of reception area and Senior Leadership/Business Management Team office
- Creation of a new Year 4 classroom
- Commencement of roof replacement

Berrybrook Primary

Assessment

- Pupils are entering the school well below age related bands leaving Reception close to age related bands and leaving Key Stage 1 broadly in line with national averages hence demonstrating at least good progress
- Year 6 attainment was above national in all subject areas
- The percentage of pupils making 2 levels of progress by the end of Year 6 was above national average
- Evidence from monitoring shows an improvement in the attitudes to learning of the majority of pupils

Attendance

- Overall percentage of absence across the academic year was 6%

Parental Questionnaire

- A parental questionnaire was distributed at the end of the Summer term and a very positive response was received with supporting additional comments on the progress pupils were making

Trustees' Report (continued)
For the Period Ended 31 August 2014

Financial review

a. Financial and risk management objectives and policies

The major risks to which the Multi Academy Trust is exposed have been assessed, in particular those relating to the provision of effective education, robust recruitment and retention processes to ensure capacity and capability exists to continually improve performance and the provision of effective health and safety for all children and members of staff. Due consideration has also been afforded to the need for high levels of financial management and internal control.

Consequently, as part of a formal risk management system at Perry Hall (which is being replicated at Berrybrook), the Multi Academy Trust is undertaking a full review of the main areas of risks which it faces in a drive to minimise and mitigate risk – operational, financial, commercial and reputational.

This assessment has recently included a review of all health and safety, child protection and safeguarding policies and procedures. In addition a review of all financial controls and processes has been undertaken in conjunction with an external service provider.

The risk management process has identified the types of risk, scored and prioritised them in terms of their potential operational / financial impact and likelihood and means of mitigating these risks.

b. Principal risks and uncertainties

The key risks of concern to the Multi Academy Trust have been identified as follows:

- Ensuring adequate financial management keeps funds within agreed budget constraints
- Adverse publicity leading to potential reputational damage
- Changes in leadership and management
- Inability to recruit staff of sufficient calibre and retain key members of staff to ensure performance delivery

c. Reserves policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

d. Principal funding

The Academy receives its principal funding from the government through the EFA.

Trustees' Report (continued)
For the Period Ended 31 August 2014

Plans for future periods

a. Future developments

Against a backdrop of continuing good performance, detailed objectives and action plans for the forthcoming year are contained within each individual school's School Improvement Plan (SIP).

Across the Multi Academy Trust the following key priorities have been identified for the forthcoming academic year:

Achievement – To improve the quality of provision ensuring pupils from each different starting point make at least expected progress and the proportion of pupils exceeding in English & Mathematics is high compared to national results, with attainment at least in line with national averages.

Leadership – Leaders at all levels, including governors, to hold staff to account in the pursuit of excellence hence ensuring high levels of achievement and personal development for all pupils

Quality of Teaching – Ensure that the quality of teaching is never less than good and moving to outstanding

The effectiveness of these action plans will be monitored and reported at local governing bodies committee meetings on a half termly basis via evaluation questions contained within the individual plans.

Trustees' Report (continued)
For the Period Ended 31 August 2014

Trustees' responsibilities statement

The trustees (who act as governors of Perry Hall Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Requirements 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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;
- 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 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.

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the Period Ended 31 August 2014

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of trustees on _____ and signed on the board's behalf by:

A Brocklehurst
Chair of Trustees

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive 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 Perry Hall Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 9 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Brocklehurst	3	9
J Plant	7	9
R Green	0	0
A K Cheema	9	9
B Bate	2	6
K Edge	0	2
M Edwards	0	9
L Fergusson	5	6
C Gibbins	3	6
D Hodgkiss	9	9
J Pinkard	3	6
J Purawal	5	6
J S Sidhu	0	1
D Tarbuck	5	9
A Tranter	3	6
C Turner	3	6
Rev C Turner	1	2
J Williams	0	0

Governance reviews:

A skills review of the Governors has been undertaken in relation to both Berrybrook Primary School and Perry Hall Primary School. As a result, a plan of action has been implemented and appropriately skilled Governors have been sourced.

Governance Statement (continued)

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:

- Monitor, evaluate and review policy and performance in relation to financial management
- Ensure compliance with reporting and regularity requirements
- Draft the annual budget

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
L Fergusson	3	6
D Hodgkiss	5	6
A K Cheema	6	6
J Pinkard	4	6
J Plant	3	6
J Purawal	4	5
C Turner	1	1
J Williams	1	1

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 Academy 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 Perry Hall Multi-Academy Trust for the period 1 July 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy 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 ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 1 July 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Resources 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.

Governance Statement (continued)

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Dains LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, the Executive Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 Resources 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 8 December 2014 and signed on its behalf, by:

A Brocklehurst
Chair of Trustees

A K Cheema
Accounting Officer

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Perry Hall Multi-Academy Trust I have considered my responsibility to notify the Academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2012).

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.

A K Cheema
Accounting Officer

Date: 8 December 2014

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Independent Auditors' Report to the Board of trustees of Perry Hall Multi-Academy Trust

We have audited the financial statements of Perry Hall Multi-Academy Trust for the period ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy'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'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 Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the Academy 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 Trustees' report 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 Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Independent Auditors' Report to the Board of trustees of Perry Hall Multi-Academy Trust

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.

Julian Townsend ACA FCCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
Date:

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Perry Hall Multi-Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 22 August 2014 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 Perry Hall Multi-Academy Trust during the period 1 July 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 Perry Hall Multi-Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Perry Hall Multi-Academy Trust and 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 Perry Hall Multi-Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Perry Hall Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Perry Hall Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 28 June 2013, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 July 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 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's income and expenditure.

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

**Independent Reporting Accountants' Assurance Report on Regularity to Perry Hall Multi-Academy Trust
and the Education Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 July 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

8 December 2014

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Statement of Financial Activities
(incorporating the Income and Expenditure Account and the Statement of Total Recognised Gains and Losses)
For the Period Ended 31 August 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Incoming resources					
Incoming resources from generated funds:					
Transfer from Local Authority on conversion	2	504,378	(1,024,000)	8,003,519	7,483,897
Other voluntary income	2	38,569	248	-	38,817
Activities for generating funds	3	19,063	75,016	-	94,079
Investment income	4	1,096	-	-	1,096
Incoming resources from charitable activities	5	-	2,849,027	369,108	3,218,135
Total incoming resources		563,106	1,900,291	8,372,627	10,836,024
Resources expended					
Charitable activities		52,907	2,731,082	132,272	2,916,261
Governance costs	10	12,455	57,123	-	69,578
Total resources expended	6	65,362	2,788,205	132,272	2,985,839
Net incoming / (outgoing) resources before transfers		497,744	(887,914)	8,240,355	7,850,185
Transfers between Funds	20	-	(117,545)	117,545	-
Net incoming resources before revaluations		497,744	(1,005,459)	8,357,900	7,850,185
Gains and losses on revaluations of investment assets		-	(177,000)	-	(177,000)
Net movement in funds for the period		497,744	(1,182,459)	8,357,900	7,673,185
Total funds at 12 June 2013		-	-	-	-
Total funds at 31 August 2014		497,744	(1,182,459)	8,357,900	7,673,185

All of the Academy's activities derive from acquisitions in the current financial period.

The notes on pages 21 to 43 form part of these financial statements.

Perry Hall Multi-Academy Trust
(A company limited by guarantee)
Registered number: 08566185

Balance Sheet
As at 31 August 2014

	Note	£	2014 £
Fixed assets			
Tangible assets	17		8,404,327
Current assets			
Debtors	18	565,431	
Cash at bank		511,360	
		<u>1,076,791</u>	
Creditors: amounts falling due within one year	19	<u>(586,933)</u>	
Net current assets			<u>489,858</u>
Total assets less current liabilities			<u>8,894,185</u>
Defined benefit pension scheme liability	26		<u>(1,221,000)</u>
Net assets including pension scheme liability			<u><u>7,673,185</u></u>
Funds of the academy			
Restricted funds:			
Restricted funds	20	38,541	
Restricted fixed asset funds	20	8,357,900	
		<u>8,396,441</u>	
Restricted funds excluding pension liability		8,396,441	
Pension reserve		<u>(1,221,000)</u>	
Total restricted funds			<u>7,175,441</u>
Unrestricted funds	20		<u>497,744</u>
Total funds			<u><u>7,673,185</u></u>

The financial statements were approved by the trustees, and authorised for issue, on and are signed on their behalf, by:

A Brocklehurst
Chair of Trustees

The notes on pages 21 to 43 form part of these financial statements.

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Cash Flow Statement
For the Period Ended 31 August 2014

	Note	2014 £
Net cash flow from operating activities	22	18,781
Returns on investments and servicing of finance	23	1,096
Capital expenditure and financial investment	23	(12,895)
Cash transferred on conversion to an academy trust	25	504,378
Increase in cash in the period		511,360

All of the cash flows are derived from acquisitions in the current financial period.

Reconciliation of Net Cash Flow to Movement in Net Funds
For the Period Ended 31 August 2014

Increase in cash in the period	511,360
Movement in net funds in the period	511,360
Net funds at 31 August 2014	511,360

The notes on pages 21 to 43 form part of these financial statements.

Notes to the Financial Statements
For the Period Ended 31 August 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Academy being notified of an impending distribution or the legacy being received.

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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Notes to the Financial Statements
For the Period Ended 31 August 2014

1. Accounting Policies (continued)

1.4 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.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy'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.

1.5 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 and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

Notes to the Financial Statements
For the Period Ended 31 August 2014

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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 are 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Land	-	Over the lease term
Long Term Leasehold Property	-	2% Straight line
Leasehold Improvements	-	10% Straight line
Fixtures and fittings	-	20% Straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.7 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.

Notes to the Financial Statements
For the Period Ended 31 August 2014

1. Accounting Policies (continued)

1.8 Pensions

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 26, 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 the 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 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.

Notes to the Financial Statements
For the Period Ended 31 August 2014

1. Accounting Policies (continued)

1.9 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Perry Hall Primary School and Berrybrook Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Perry Hall Multi-Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

2. Voluntary income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Transfer from Local Authority on conversion	504,378	6,979,519	7,483,897
Donations	1,283	248	1,531
Parent contributions to school visits	37,286	-	37,286
Subtotal	38,569	248	38,817
Voluntary income	542,947	6,979,767	7,522,714

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2014

3. Activities for generating funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Catering income	-	43,425	43,425
Hire of facilities	18,560	-	18,560
Extended services fees	503	31,591	32,094
	<u>19,063</u>	<u>75,016</u>	<u>94,079</u>

4. Investment income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Bank interest	<u>1,096</u>	<u>-</u>	<u>1,096</u>

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2014

5. Incoming resources from charitable activities

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Educational operations	-	3,218,135	3,218,135

Funding for Academy's educational operations

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	2,173,548	2,173,548
Rates relief	-	8,286	8,286
Insurance grant	-	10,301	10,301
Capital Maintenance Fund	-	281,041	281,041
Start Up grants	-	50,000	50,000
Pupil Premium	-	177,491	177,491
Sports Funding	-	7,173	7,173
School improvement funding	-	45,000	45,000
Terrific For Twos	-	81,700	81,700
Early Years funding	-	158,117	158,117
Devolved capital funding	-	6,367	6,367
Twos funding	-	46,427	46,427
	-	3,045,451	3,045,451
Other government grants			
Contributions from Other Services	-	172,684	172,684
	-	172,684	172,684
	-	3,218,135	3,218,135

Notes to the Financial Statements
For the Period Ended 31 August 2014

6. Resources expended

	Staff costs	Non Pay Premises	Expenditure Other costs	Total
	2014	2014	2014	2014
	£	£	£	£
Direct costs	1,214,034	110,563	319,417	1,644,014
Support costs	869,497	104,617	298,133	1,272,247
Charitable activities	2,083,531	215,180	617,550	2,916,261
Governance	-	-	69,578	69,578
	2,083,531	215,180	687,128	2,985,839

7. Analysis of resources expended by activities

	Activities undertaken directly	Support costs	Total
	2014	2014	2014
	£	£	£
Educational operations	1,644,014	1,272,247	2,916,261

8. Direct costs

	Total 2014 £
LGPS finance costs	43,000
Educational supplies	34,880
Staff development	13,703
Technology costs	32,280
Educational consultancy	61,368
Travel and subsistence	48,519
Other direct costs	84,258
Recruitment and support	1,409
Wages and salaries	1,023,488
National insurance	84,872
Pension cost	105,674
Depreciation	110,563
	1,644,014

Perry Hall Multi-Academy Trust
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Notes to the Financial Statements
For the Period Ended 31 August 2014

9. Support costs

	Total 2014 £
Travel and subsistence	2,382
Other direct costs	41,621
Maintenance of premises	78,971
Maintenance of equipment	7,128
Cleaning	23,554
Operating leases	200
Rates	12,231
Water rates	12,707
Energy	47,939
Insurance	62,935
Technology costs	104,363
Wages and salaries	710,635
National insurance	33,150
Pension cost	125,712
Depreciation	8,719
	<u>1,272,247</u>

10. Governance costs

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Auditors' remuneration	9,500	-	9,500
Legal and professional fees	2,955	57,123	60,078
	<u>12,455</u>	<u>57,123</u>	<u>69,578</u>

11. Net incoming / (outgoing) resources

This is stated after charging:

	2014 £
Depreciation of tangible fixed assets:	
- owned by the charity	119,282
Auditors' remuneration	9,500
	<u>128,782</u>

Notes to the Financial Statements
For the Period Ended 31 August 2014

12. Staff

a. Staff costs

Staff costs were as follows:

	2014 £
Wages and salaries	1,734,123
Social security costs	118,022
Other pension costs (Note 26)	231,386
	<hr/>
	2,083,531

b. Staff numbers

The average number of persons employed within the Academy during the period expressed as full time equivalents was as follows:

	2014 No.
Management	7
Teachers	25
Teaching assistants	23
Supervisory assistants	2
Early Years Practitioners	6
After School Club assistants	1
Childcare supervisors	1
Family support workers	3
Administrative staff	7
Caretakers	2
Cleaners	2
	<hr/>
	79

c. Higher paid staff

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

	2014 No.
In the band £70,001 - £80,000	1
	<hr/>

13. Central services

No central services were provided by the Academy to its academies during the period and no central charges arose.

Notes to the Financial Statements
For the Period Ended 31 August 2014

14. Trustees' remuneration and expenses

The Executive Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy in respect of their role as trustees. The value of trustees' remuneration, including pension contributions, fell within the following bands:

	2014 £
C Gibbins (9 months)	25,000-30,000
B Bate (9 months)	25,000-30,000
L Fergusson (9 months)	15,000-20,000
A K Cheema (14 months)	85,000-90,000

During the period, no trustees received any benefits in kind.
During the period, no trustees received any reimbursement of expenses.

15. 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 £5,000,000 on any one claim and the cost for the period ended 31 August 2014 was included in the total insurance cost of £16,751.

16. Other finance income

	2014 £
Expected return on pension scheme assets	3,000
Interest on pension scheme liabilities	(46,000)
	<hr/> (43,000) <hr/>

Notes to the Financial Statements
For the Period Ended 31 August 2014

17. Tangible fixed assets

	Long Term Leasehold Property £	Leasehold Improvements £	Fixtures and fittings £	Total £
Cost				
Additions	-	511,498	8,592	520,090
Transfer on conversion	7,965,000	-	38,519	8,003,519
At 31 August 2014	<u>7,965,000</u>	<u>511,498</u>	<u>47,111</u>	<u>8,523,609</u>
Depreciation				
Charge for the period	108,250	2,313	8,719	119,282
At 31 August 2014	<u>108,250</u>	<u>2,313</u>	<u>8,719</u>	<u>119,282</u>
Net book value				
At 31 August 2014	<u>7,856,750</u>	<u>509,185</u>	<u>38,392</u>	<u>8,404,327</u>

The Academy' transactions relating to land and buildings included:

- the transfer of Perry Hall Primary School leasehold land and buildings from Wolverhampton City Council on 1 July 2013, and the transfer of Berrybrook Primary School leasehold land and buildings from Wolverhampton City Council on 1 April 2014, as the Council granted the Academy a 125 year lease for the School sites. As the schools are specialised properties, as defined in Financial Reporting Standard Number 15, this long term leasehold property has been valued in the financial statements on a Depreciated Replacement Cost Basis. This leases were gifted to the Academy.

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2014

18. Debtors

	2014 £
Trade debtors	29,436
Other debtors	106,682
Prepayments and accrued income	429,313
	<hr/>
	565,431
	<hr/> <hr/>

19. Creditors:
Amounts falling due within one year

	2014 £
Trade creditors	230,345
Other taxation and social security	41,257
Other creditors	33,880
Accruals and deferred income	281,451
	<hr/>
	586,933
	<hr/> <hr/>

Deferred income

Resources deferred during the year	£ 103,760
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Perry Hall Multi-Academy Trust
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Notes to the Financial Statements
For the Period Ended 31 August 2014

20. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	-	563,106	(65,362)	-	-	497,744
Restricted funds						
General Annual Grant (GAG)	-	2,192,135	(1,975,111)	(178,483)	-	38,541
Pupil Premium	-	177,491	(177,491)	-	-	-
Start Up grants	-	50,000	(50,000)	-	-	-
Other DfE/EFA grants	-	256,717	(256,717)	-	-	-
Other funding	-	204,523	(204,523)	-	-	-
Catering	-	43,425	(104,363)	60,938	-	-
Pension reserve	-	(1,024,000)	(20,000)	-	(177,000)	(1,221,000)
	-	1,900,291	(2,788,205)	(117,545)	(177,000)	(1,182,459)
Restricted fixed asset funds						
Terrific For Twos Capital	-	81,700	(2,313)	10,671	-	90,058
Maintenance Fund	-	281,041	-	-	-	281,041
Devolved Capital grants	-	6,367	(12,990)	6,623	-	-
Assets inherited on conversion	-	8,003,519	(116,969)	-	-	7,886,550
Assets funded from GAG	-	-	-	100,251	-	100,251
	-	8,372,627	(132,272)	117,545	-	8,357,900
Total restricted funds	-	10,272,918	(2,920,477)	-	(177,000)	7,175,441
Total of funds	-	10,836,024	(2,985,839)	-	(177,000)	7,673,185

Notes to the Financial Statements
For the Period Ended 31 August 2014

20. Statement of funds (continued)

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

Restricted general funds

This fund represents grants and other income received for the Academy's operational activities and development

Pension reserve

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

This fund represents grants and other income received to carry out works of a capital nature.

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

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

Perry Hall Primary School	199,977
Berrybrook Primary School	336,308
	<hr/>
Total before fixed asset fund and pension reserve	536,285
Restricted fixed asset fund	8,357,900
Pension reserve	(1,221,000)
	<hr/>
Total	7,673,185
	<hr/> <hr/>

Analysis of academies by cost

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
Perry Hall Primary School	980,396	682,608	29,138	671,138	2,363,280
Berrybrook Primary School	233,638	186,889	5,742	196,290	622,559
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,214,034	869,497	34,880	867,428	2,985,839
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Perry Hall Multi-Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2014

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	563,106	(65,362)	-	-	497,744
Restricted funds	-	1,900,291	(2,788,205)	(117,545)	(177,000)	(1,182,459)
Restricted fixed asset funds	-	8,372,627	(132,272)	117,545	-	8,357,900
	<u>-</u>	<u>10,836,024</u>	<u>(2,985,839)</u>	<u>-</u>	<u>(177,000)</u>	<u>7,673,185</u>

21. Analysis of net assets between funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Tangible fixed assets	-	-	8,404,327	8,404,327
Current assets	497,744	535,006	44,041	1,076,791
Creditors due within one year	-	(496,465)	(90,468)	(586,933)
Provisions for liabilities and charges	-	(1,221,000)	-	(1,221,000)
	<u>497,744</u>	<u>(1,182,459)</u>	<u>8,357,900</u>	<u>7,673,185</u>

22. Net cash flow from operations

	2014 £
Net incoming resources before revaluations	7,850,185
Returns on investments and servicing of finance	(1,096)
Assets transferred on conversion	(7,483,897)
Depreciation of tangible fixed assets	119,282
Capital grants from DfE	(507,195)
Increase in debtors	(565,431)
Increase in creditors	586,933
FRS 17 adjustments	20,000
Net cash inflow from operations	<u>18,781</u>

Notes to the Financial Statements
For the Period Ended 31 August 2014

23. Analysis of cash flows for headings netted in cash flow statement

	2014 £
Returns on investments and servicing of finance	
Interest received	1,096
	<u>2014 £</u>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(520,090)
Capital grants from DfE	507,195
	<u>(12,895)</u>

24. Analysis of changes in net funds

	12 June 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	-	511,360	-	511,360
Net funds	<u>-</u>	<u>511,360</u>	<u>-</u>	<u>511,360</u>

25. Conversion to an academy trust

On 1 July 2013 Perry Hall Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Perry Hall Multi-Academy Trust from Wolverhampton City Council for £NIL consideration.

On 1 April 2014 Berrybrook Primary School joined Perry Hall Multi-Academy Trust and all the operations and assets and liabilities were transferred to Perry Hall Multi-Academy Trust from Wolverhampton City Council for £NIL consideration.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Notes to the Financial Statements
For the Period Ended 31 August 2014

25. Conversion to an academy trust (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	7,965,000	7,965,000
Other tangible fixed assets	-	-	38,519	38,519
Budget surplus on LA funds	485,493	-	-	485,493
Budget surplus on other school funds	18,885	-	-	18,885
LGPS pension surplus/(deficit)	-	(1,024,000)	-	(1,024,000)
Net assets/(liabilities)	<u>504,378</u>	<u>(1,024,000)</u>	<u>8,003,519</u>	<u>7,483,897</u>

26. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are defined benefit schemes.

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

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

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.

Notes to the Financial Statements
For the Period Ended 31 August 2014

26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

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

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from 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 reformed Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformed scheme will commence on 1 April 2015.

Notes to the Financial Statements
For the Period Ended 31 August 2014

26. Pension commitments (continued)

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 assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £140,000, of which employer's contributions totalled £109,000 and employees' contributions totalled £31,000. The agreed contribution rates for future years are 20.4% for employers and 5.5% - 6.5% 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.

As described in note 25 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	2014 £
Present value of funded obligations	(1,373,000)
Fair value of scheme assets	152,000
	<hr/>
Net liability	(1,221,000)
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The amounts recognised in the statement of financial activities are as follows:

	2014 £
Current service cost	(86,000)
Interest on obligation	(46,000)
Expected return on scheme assets	3,000
	<hr/>
Total	(129,000)
	<hr/> <hr/>
Actual return on scheme assets	6,000
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Notes to the Financial Statements
For the Period Ended 31 August 2014

26. Pension commitments (continued)

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

	2014 £
Current service cost	86,000
Interest cost	46,000
Contributions by employees	31,000
Liabilities assumed in a business combination	1,024,000
Benefits paid	7,000
Actuarial losses	179,000
	-
	<hr/>
Closing defined benefit obligation	1,373,000
	<hr/> <hr/>

Movements in the fair value of the Academy's share of scheme assets:

	2014 £
Expected return on assets	3,000
Contributions by employer	109,000
Contributions by employees	31,000
Benefits paid	7,000
Actuarial gains	2,000
	<hr/>
	152,000
	<hr/> <hr/>

The cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses was £177,000.

The Academy expects to contribute £120,000 to its Defined benefit pension scheme in 2015.

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

	2014
Equities	45.40 %
Government bonds	7.90 %
Other bonds	9.90 %
Property	8.60 %
Cash	4.60 %
Other	23.70 %

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

	2014
Discount rate for scheme liabilities	4.00 %
Rate of increase in salaries	3.95 %
Rate of increase for pensions in payment / inflation	2.20 %
Inflation assumption (CPI)	2.20 %

Notes to the Financial Statements
For the Period Ended 31 August 2014

26. Pension commitments (continued)

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

	2014
Retiring today	
Males	22.9 years
Females	25.5 years
Retiring in 20 years	
Males	25.1 years
Females	27.8 years

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014
	£
Defined benefit obligation	(1,373,000)
Scheme assets	152,000
Deficit	(1,221,000)

27. Operating lease commitments

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

	Land and buildings 2014 £	Other 2014 £
Expiry date:		
Between 2 and 5 years	-	2,132

Notes to the Financial Statements
For the Period Ended 31 August 2014

28. Related party transactions

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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

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

29. Controlling party

The Academy is controlled by the Board of trustees.