

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

Company Limited by Guarantee
Registration number: 07713512(England and Wales)

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

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PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

REFERENCE AND ADMINISTRATIVE INFORMATION

MEMBERS	Dr B McGucken ^* Rev. S Glynn Mr P Smith ^+* Blackburn DBE
DIRECTORS / GOVERNORS	Dr B McGucken (Foundation Governor & Chair of Governors)* Mr K Hailwood (Foundation Governor & Chair Resources Committee)*+ Mrs K Baybutt (Foundation Governor & Chair Standards Committee)*^ Mr J. Baker (Foundation Governor & Chair of Premises, Health & Safety)+ Mr S Greenhalgh (Parent Governor)* Mrs A Jones (Foundation Governor)*^ Mrs J Santi (Foundation Governor)^ Mrs D Hemmady (Parent Governor)^ Mr G Carruthers (Foundation Governor)^+ Mrs A Worthington (Teacher Staff Governor)^ (Resigned 1/6/13) Ms C Mawdsley (Support Staff Governor)^+ Mr P Smith (Teacher Staff Governor) *^+ Mr C Lawson (Teacher Staff Governor) ^ (Appointed 1/6/13) * Resources Committee ^ Standards Committee + Premises Committee
EX-OFFICIO GOVERNORS	Rev S Glynn (Vicar) Mr P Smith
CO-OPTED GOVERNOR	Mr K Barker (Resources and Premises)
CLERK TO GOVERNING BODY	Mrs D Durham
PRINCIPAL	Mr P Smith
SECRETARY	Miss J Mercer
RESPONSIBLE OFFICER	Mrs J Bithell
REGISTERED OFFICE	Parbold Douglas Church of England Academy Lancaster Lane Parbold Lancashire WN8 7HS
COMPANY REGISTRATION NUMBER	07713512
AUDITORS	Crowe Clark Whitehill LLP Arkwright House Parsonage Gardens Manchester M3 2HP
BANKERS	Royal Bank of Scotland Scarisbrick House The Common Parbold Lancashire WN8 7DB

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2013

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1st September 2012 to 31st August 2013.

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, dated 20 July 2011, are the primary governing documents of the academy trust.

The trustees of Parbold Douglas Church of England Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Parbold Douglas Church of England Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover of up to £2,000,000 on any one claim.

Principal Activities

Parbold Douglas Church of England Primary Academy Trust's principal activity is specifically restricted to the following:

- To advance, for the public benefit, education in the United Kingdom, in particular but without prejudice, to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- Parbold Douglas Church of England Primary Academy is a non-selective school which provides education for pupils of different abilities between the ages of 4 and 11. Our pupils are drawn from the catchment area, in accordance with the local authority's admissions criteria.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2013

Method of Recruitment and Appointment or Election of Trustees

Trust board members, who are the directors of the charitable company for the purpose of company law, are nominated by either the Secretary of State, the Diocese of Blackburn, the Chairman of Governors or by all of the existing members. The Articles of Association require the trust board members to appoint a minimum of 3 and a maximum of 8 governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The Articles of Association contain provisions for the appointment of additional governors including staff governors and parent governors. There is no maximum number of governors.

Governors are appointed for a fixed term of 4 years but are eligible for re-election at the end of the fixed term.

The Governing Body currently comprises of 11 Trust Board Members (Three board members are appointed as Directors under the Companies Act 2006) and Co-opted Governors whose appointments are determined by trust board members, the principal and two staff governors, both employed by the trust and two parent governors, elected by the parents.

The Principal is an ex-officio governor.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Governors receive induction training and support from the Clerk to the Governing Body.

Organisational Structure

The Governing Body roles and responsibilities were reviewed in September 2011.

The Governors are organised into a number of committees who form policy to be agreed at main Governing Body meetings. The bodies comprise Health, Safety and Premises, Resources (Staffing & Finance combined) and Standards.

The Governors are responsible for setting general policy, including the vision, aims and ethos of the Academy and the monitoring of academic standards, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. During the period under review, Governors held 12 meetings. The Resources committee have received guidance, which has resulted in changes to processes from those operated as a Voluntary Aided Primary School. Notes to support the financial processes have been circulated as part of the finance manual and considered in detail by the Staffing and Resources Committee. All Governors receive monthly newsletters and are kept up to date by regular e-mail. Many Governors help in school on a regular basis, often accompanying visits and attending events. All Governors have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their Governing Body duties.

The Responsible Officer has monitored the changes to processes and makes regular reports to the governing body. The Governing Body approves the Statutory Accounts. The levels of authorisation of budget spend are detailed in the finance manual.

The day to day management of the Academy is delegated by the Governing Body to the Principal who is the Accounting Officer. The Vice-Principal and the School Business Manager support the Principal.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2013

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular, those relating to the operational areas of the site and facilities and of teaching and the finances. The Governors have implemented a system to assess the risks the school faces, especially in the operational areas which include teaching and health and safety and in relation to the control of finance. The Governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

Connected Organisations including Related Party Relationships

There are no related parties, which either control or significantly influence the decisions or operations of Parbold Douglas Church of England Academy. There are no sponsors.

The Academy works closely with parents and our Foundation Parish to further the principal activities of the Academy.

The Academy works closely with Parbold Douglas Nursery Ltd. to provide pre-school education for 2 - 4 year olds.

The Academy is represented by the Principal on several executive boards at the Department for Education and also the FASNA group.

The Academy works with many school networks, both locally, nationally and internationally, to further the principal activities of the Academy.

Objectives and Activities

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Parbold Douglas CofE Primary Academy.

In accordance with the Articles of Association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the National Curriculum.

The main objectives of the Academy during the period ended 31 August 2013 are to prepare children for living and learning responsibly in society by:

- Encouraging a love of learning, an ability to question and think rationally, to show initiative and independence and apply themselves to all tasks conscientiously.
- Enabling each child to progress towards the realisation of his/her potential, regardless of age, cultural background, disability, gender, race or religious beliefs.
- Encouraging children to take a pride in themselves, to learn how to be healthy and stay safe, to develop a happy disposition and adopt a measured approach towards life and decision making.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2013

- Promoting a respect and understanding for the Anglican Communion of which we are a member as well as the cultural and religious principles of others, particularly those within our own school and community.
- Encouraging good behaviour by showing courtesy, good manners, consideration for the needs of others and respect for the ethos of the school.
- Recognising that parents are the prime educators and encouraging a close partnership between home and school
- Delivering a broad and balanced curriculum with emphasis on the acquisition of literacy and numeracy skills, enrichment activities and learning through fun and investigation.
- Constantly monitoring and evaluating all aspects of our performance in order to raise standards still further.
- Working in partnership with the local community and industry to deepen an understanding of the wider world.

Our aims underpin every aspect of day-to-day life. To help achieve these aims, our school offers a happy, safe and welcoming atmosphere.

Children are encouraged to learn through first-hand experience in a stimulating environment. Staff development is a priority and the school boasts a professional team with considerable expertise.

Children aim to be:

- Well-mannered and well-behaved;
- Hardworking and engaged;
- Helpful and caring;
- Smart, safe and tidy.

Objectives, Strategies and Activities

Parbold Douglas Church of England Primary Academy seeks to provide an all round education for children in a bright and stimulating and fun atmosphere. We have the highest expectations of pupil attainment, teacher performance and parental involvement and we encourage everyone to strive for excellence, in order to achieve potential. We seek challenge and embrace change in order to improve. To this end, the activities provided include:

- Well planned learning opportunities for all pupils to achieve in line with or exceed expectations in the EYFS, KS1 and KS2 statutory assessments,
- Professional development opportunities for all staff,
- For all staff to have annual performance management objectives set and reviewed,

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2013

- Pupil involvement in leadership decisions through the use of our pupil council,
- A broad, balanced and creative curriculum provided for all pupils,
- Opportunities for extended learning through the provision of extra-curricular activities,
- Talent spotting of all individuals on the staff including succession planning in order to maintain and move beyond "outstanding,"
- Talent spotting of all pupils and encouraging and fostering the areas identified,
- a fully inclusive education, available to all.
- Provision for Governor/Director training

Public Benefit

We have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013

Achievements and Performance

Achievement at the Academy remains very high

Parbold Douglas Church of England Academy (URN: 137127 DfE No. 8883451)



Attainment at Key Stage 1

Attainment, Average Points Score at Key Stage 1 : Overall and by Subject (KS1.1Trend)

The following pages provide analysis of pupils' average points scores over the last five years in reading, writing and mathematics.

Table 4.2.4

Statistical significance tests have been performed on the data using a 95% confidence interval, and where the school value differs significantly from the corresponding national value for this group sig+ or sig- is shown below. Where the school value differs significantly from the previous year's, ↑ or ↓ is shown to indicate the direction of this change.

Year		2009	2010	2011	2012	2013
All Subjects	Cohort	25	27	17	30	30
	School	17.0	18.1 ↓	18.1	18.5	18.2
	National	15.2	15.2	15.3	15.5	15.8
	Difference	1.8	2.9	2.8	3.0	2.4
	Significance	Sig+	Sig+	Sig+	Sig+	Sig+
Reading	Cohort	25	27	17	30	30
	School	17.6	19.4	18.9	19.0	18.5
	National	15.7	15.7	15.8	16.0	16.3
	Difference	1.9	3.7	3.1	3.0	2.2
	Significance	Sig+	Sig+	Sig+	Sig+	Sig+
Writing	Cohort	25	27	17	30	30
	School	15.5	16.6	17.2	17.5	17.0
	National	14.3	14.4	14.4	14.7	14.9
	Difference	1.2	2.2	2.8	2.8	2.1
	Significance		Sig+	Sig+	Sig+	Sig+
Mathematics	Cohort	25	27	17	30	30
	School	18.0	18.4	18.2	18.9	19.1
	National	15.7	15.7	15.7	15.9	16.1
	Difference	2.3	2.7	2.5	3.0	3.0
	Significance	Sig+	Sig+	Sig+	Sig+	Sig+

This table shows Key Stage 1 attainment results for the past four years. The results remain significantly ahead of the national attainment levels. The slight drop in year on year internal results in Reading & Writing we believe represent the make-up of the cohort rather than anything more deep seated. Relevant interventions and changes to the teaching of English should address this as the children move through KS2.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2013

Parbold Douglas Church of England Academy (URN: 137127 DfE No. 8883451)



Attainment at Key Stage 2

Attainment, Average Points Score at Key Stage 2 : Overall and by Subjects (KS2.1Trend)

The following pages provide analysis of pupils' average points scores over the last five years in the National Curriculum core subjects.

Table 4.3.5

Statistical significance tests have been performed on the data using a 95% confidence interval, and where the school value differs significantly from the corresponding national value for this group sig+ or sig- is shown below. Where the school value differs significantly from the previous year's, ↑ or ↓ is shown to indicate the direction of this change.

Year		2009	2010*	2011	2012	2013**
All Subjects	Cohort	29	34	31	35	34
	School	30.7	30.5	30.0	30.6	30.9
	National	27.8	27.4	27.5	28.2	28.3
	Difference	2.9	3.1	2.5	2.4	2.6
	Significance	Sig+	Sig+	Sig+	Sig+	Sig+
Mathematics	Cohort	29	34	31	35	34
	School	31.3	30.3	30.3	30.9	31.1
	National	27.5	27.4	27.6	28.4	28.7
	Difference	3.8	2.9	2.7	2.5	2.4
	Significance	Sig+	Sig+	Sig+	Sig+	Sig+
Reading	Cohort	-	-	31	35	34
	School	-	-	30.5	29.9	30.4
	National	-	-	28.1	28.8	28.5
	Difference	-	-	2.4	1.1	1.9
	Significance	-	-	Sig+	-	Sig+
Writing(TA)	Cohort	-	-	31	35	34
	School	-	-	28.5	31.1	31.2
	National	-	-	26.4	27.3	27.5
	Difference	-	-	2.1	3.8	3.7
	Significance	-	-	Sig+	-	Sig+
English Grammar, Punctuation & Spelling	Cohort	-	-	-	-	34
	School	-	-	-	-	29.3
	National	-	-	-	-	28.0
	Difference	-	-	-	-	1.3
	Significance	-	-	-	-	-
English	Cohort	29	34	31	35	-
	School	29.3	30.8	29.7	30.3	-
	National	27.2	27.3	27.3	28.1	-
	Difference	2.1	3.5	2.4	2.2	-
	Significance	Sig+	Sig+	Sig+	Sig+	-
Science	Cohort	29	-	-	-	-
	School	31.3	-	-	-	-
	National	28.7	-	-	-	-
	Difference	2.6	-	-	-	-
	Significance	Sig+	-	-	-	-

**For 2013 the overall average point score is calculated from mathematics, reading and writing(TA) only.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

This table shows the Key Stage 2 results. Again we see the school achieving ahead of the national average in all areas. Again the area we perform least well in terms of comparison is reading, the new Read Write Inc programme should address that over the next 2-4 years

In summary the children enter school ahead of the national expectation and this is effectively built on during their time in school – meaning our progress scores (value added) are amongst some of the best in the country.

Are pupils making progress?																																																																	
<p>English</p> <p>In 2012, 97% of pupils achieved expected progress in English. Data for 2012 are not comparable to previous years due to changes in methodology.</p> <p>Percentage of pupils who achieved expected progress in English</p> <table border="1"> <caption>Percentage of pupils who achieved expected progress in English</caption> <thead> <tr> <th>Year</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>100</td> </tr> <tr> <td>2011</td> <td>98</td> </tr> <tr> <td>2012</td> <td>97</td> </tr> </tbody> </table> <p>.... National level</p> <p>In 2012, the school's result was in the top 20% of similar schools' results, and in the top 40% of all schools.</p> <p>Comparison with other schools</p> <table border="1"> <thead> <tr> <th colspan="2">Similar schools</th> <th colspan="2">All schools</th> </tr> </thead> <tbody> <tr> <td>Highest</td> <td><input checked="" type="checkbox"/></td> <td>Highest</td> <td><input type="checkbox"/></td> </tr> <tr> <td>2nd quintile</td> <td><input type="checkbox"/></td> <td>2nd quintile</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>3rd quintile</td> <td><input type="checkbox"/></td> <td>3rd quintile</td> <td><input type="checkbox"/></td> </tr> <tr> <td>4th quintile</td> <td><input type="checkbox"/></td> <td>4th quintile</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Lowest</td> <td><input type="checkbox"/></td> <td>Lowest</td> <td><input type="checkbox"/></td> </tr> </tbody> </table> <p>List of similar schools</p>	Year	Percentage (%)	2010	100	2011	98	2012	97	Similar schools		All schools		Highest	<input checked="" type="checkbox"/>	Highest	<input type="checkbox"/>	2nd quintile	<input type="checkbox"/>	2nd quintile	<input checked="" type="checkbox"/>	3rd quintile	<input type="checkbox"/>	3rd quintile	<input type="checkbox"/>	4th quintile	<input type="checkbox"/>	4th quintile	<input type="checkbox"/>	Lowest	<input type="checkbox"/>	Lowest	<input type="checkbox"/>	<p>Mathematics</p> <p>In 2012, 94% of pupils achieved expected progress in mathematics. This is a decrease of three percentage points since 2011.</p> <p>Percentage of pupils who achieved expected progress in mathematics</p> <table border="1"> <caption>Percentage of pupils who achieved expected progress in mathematics</caption> <thead> <tr> <th>Year</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>97</td> </tr> <tr> <td>2011</td> <td>97</td> </tr> <tr> <td>2012</td> <td>94</td> </tr> </tbody> </table> <p>.... National level</p> <p>In 2012, the school's result was in the top 40% of similar schools' results, and in the top 40% of all schools.</p> <p>Comparison with other schools</p> <table border="1"> <thead> <tr> <th colspan="2">Similar schools</th> <th colspan="2">All schools</th> </tr> </thead> <tbody> <tr> <td>Highest</td> <td><input type="checkbox"/></td> <td>Highest</td> <td><input type="checkbox"/></td> </tr> <tr> <td>2nd quintile</td> <td><input checked="" type="checkbox"/></td> <td>2nd quintile</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>3rd quintile</td> <td><input type="checkbox"/></td> <td>3rd quintile</td> <td><input type="checkbox"/></td> </tr> <tr> <td>4th quintile</td> <td><input type="checkbox"/></td> <td>4th quintile</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Lowest</td> <td><input type="checkbox"/></td> <td>Lowest</td> <td><input type="checkbox"/></td> </tr> </tbody> </table> <p>List of similar schools</p>	Year	Percentage (%)	2010	97	2011	97	2012	94	Similar schools		All schools		Highest	<input type="checkbox"/>	Highest	<input type="checkbox"/>	2nd quintile	<input checked="" type="checkbox"/>	2nd quintile	<input checked="" type="checkbox"/>	3rd quintile	<input type="checkbox"/>	3rd quintile	<input type="checkbox"/>	4th quintile	<input type="checkbox"/>	4th quintile	<input type="checkbox"/>	Lowest	<input type="checkbox"/>	Lowest	<input type="checkbox"/>
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PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2013

Going Concern

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

Key Financial Performance Indicators

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

In its last OFSTED inspection in January 2009, OFSTED assessed the previous school (now the Academy) as "outstanding".

The results of the January 2009 inspection are summarised below:

Assessment	Inspection Grade
How effective, efficient and inclusive is the provision of education, integrated care and any extended services in meeting the needs of learners?	1
The achievement of learners	1
The personal development and well being of learners	1
The effectiveness of teaching and learning in meeting the full range of learners' needs	1
The effectiveness of the curriculum and other activities to meet the range of needs and interests of learners	2
The care, guidance and support of learners	1
The effectiveness of leadership and management in raising achievement and supporting all learners.	1

Note: Grade 1 is "exceptionally and consistently high"

The Academy is also monitored through the completion and submission to the EFA of

- The annual abbreviated accounts record,
- The financial plan for the period 2011-2014,
- The annual financial Management and Governance Evaluation,

The current rating of outstanding for all returns is considered an acceptable outcome.

Financial and Risk Management Objectives and Policies

The Academy's financial objectives are:

- To set and operate within an agreed and balanced budget,

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

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- To generate extra income through our development of the Parbold Douglas Teaching School and working with the National College of School Leadership, The Department for Education and FASNA (Freedom and Autonomy for Schools National Association),
- To apply at all times, best value principles in all purchases,
- To monitor and evaluate the value for money of all staff,
- To prevent all areas of wastage.

Financial Review

These objectives were achieved in the period ending 31st August 2013

Principal Risks and Uncertainties

The Academy has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Based on its mission, the Resources Committee undertakes a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific, preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Resources Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy level which is reviewed at least annually by the Resources Committee and more regularly when necessary. The risk register identifies key risks, the likelihood of these risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This is supported by a risk management training programme to raise awareness of risk throughout the academy

Outlined below is a description of the principal risk factors which may affect the Academy. Not all factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Government Funding

The Academy has considerable reliance on continued Government funding through the EFA. In 2012/13, 89% of the Academy's revenue (including NNS and Teaching School income) was ultimately publicly funded including inherited assets, and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or in the same terms.

This risk is mitigated in a number of ways:

- Funding is derived from a number of direct and indirect contractual arrangements,
- By ensuring that the Academy is rigorous in delivering high quality education and training,

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2013

- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA.

2. Maintain adequate funding of pensions liabilities.

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of Financial Reporting Standard (FRS17). This deficit relates to non-teaching staff who are members of Lancashire County Council's Pension Fund. At 31st August 2013 the deficit amounted to £170,000.

The pension scheme liability is an ongoing liability which is not expected to materialise until the retirement of the employees in the scheme. The Academy makes contributions to the scheme on behalf of its employees. During the period, the Academy made contributions of £23,394. These contributions are determined by the scheme's Actuaries and are designed to eliminate the deficit over the estimated future working lives of the employees in the scheme.

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 have determined that the appropriate level of free reserves should be equivalent to three months net payroll, approximately £100,000. The reason for this is to provide 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. The Academy's current level of free reserves and cash at the bank on 31st August 2012 was £83,873.

Investment Policy

The Academy holds surplus cash balances on short fixed term deposits with Royal Bank of Scotland Bank.

During the period the academy acquired 100% of the share capital of the company Parbold Douglas Nursery Limited, a company incorporated in the UK.

Plans for Future Periods

The Academy intends to action fully the areas for development as detailed on the Academy improvement plan 2012-15.

We also intend to develop the work and scope of the Teaching School.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

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 trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Crowe Clarke Whitehill are willing to continue in office and a decision on this will be made at the Annual General Meeting

Approved by order of the board of trustees on and signed on its behalf by: [†]

Brian Gucken

16.12.13

Registered office:
Parbold Douglas CE Academy Trust
Lancaster Lane
Parbold
Lancashire
WN8 7HS

Dr B McGucken (Director and chair of the governing body)

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Parbold Douglas Church of England Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met **4** times during the year (inc Special meeting). Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
B McGucken (Chair of Governors)	4	4
K Hailwood	4	4
J Baker	3	4
K Baybut	3	4
G Carruthers	3	4
S Greenhalgh	4	4
A Jones	4	4
K Barker	3	4
D Hemmady	3	4
J Santi	4	4
A Worthington (resigned 1 st June 2013)	2	2
C Lawson (appointed 13 th May 2013)	2	2
P Smith (Principal)	3	4
Revd S Glynn	4	4
C Mawdsley	4	4

A Worthington resigned as staff trustee on 1 June 2013. C Lawson was appointed as staff trustee on 13th May 2013.

The **Resources committee** is a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Hailwood (Chairperson)	3	3
B McGucken (Chair of Trustees)	3	3
S Greenhalgh	3	3
K Baybut	3	3
A Jones	2	3
K Barker	2	3
J Bithell (Responsible Officer)	3	3
P Smith (Principal)	3	3

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

The **Premises, Health and Safety committee** is also a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Baker (Chairperson)	3	3
G Carruthers	3	3
K Hailwood	3	3
C Mawdsley (Staff Trustee)	3	3
K Barker	2	3
P Smith (Principal)	3	3

The **Standards committee** is also a sub-committee of the main board of trustees.

During the year, C Lawson was appointed staff trustee, following the resignation of A Worthington.
Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Baybut (Chairperson)	3	3
G Carruthers	2	3
A Jones	3	3
C Mawdsley (Staff Trustee)	3	3
D Hemmady	3	3
J Santi	3	3
B McGucken (Chair of Trustees)	3	3
C Lawson (appointed 13 th May 2013) (staff trustee)	1	1
A Worthington (resigned 1 st June 2013) (staff trustee)	2	2
P Smith (Principal)	3	3

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

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 Parbold Douglas Church of England Academy for the period 1st September 2012 to 31 August 2013 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2012 to 31 August 2013 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 finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Mrs Jill Bithell as internal auditor;

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

All internal audit reports were received by the Governor's at the appropriate times.

Review of Effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee

Approved by order of the members of the board of trustees on ¹⁶⁻¹²⁻¹³ ~~16-12-13~~ and signed on its behalf by:

x 

Dr B McGucken
Chair of Governors / Director

x 

Mr P Smith
Accounting Officer / Director

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2013

Statement of Regularity, Propriety and Compliance

As accounting officer of Parbold Douglas Church of England Academy I have considered my responsibility to notify the academy governing body 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.

I confirm that I and the academy governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy'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.

* 

Mr P Smith
Accounting officer

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2013

Statement of Governors' Responsibilities

The Governors (who act as trustees for charitable activities of Parbold Douglas Church of England Academy and are also the directors of the Charitable Company for the purposes of Company Law) are responsible for preparing the Governors' Report and the Financial Statements in accordance with the Annual Accounts Requirement 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 Governors to prepare Financial Statements for each financial year. Under Company Law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the Governors are required to:-

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

Approved by order of the members of the Governing Body on ^x16th December 2013
and signed on its behalf by:

^x 

Dr B McGucken
Chair of Governors

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

FOR THE YEAR ENDED 31 AUGUST 2013

We have audited the financial statements of Parbold Douglas Church of England Academy for the year ended 31 August 2013 which comprises of the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 26.

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 Annual Accounts Direction 2013 issued by the Education Funding Agency.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors' 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 charitable company's affairs as at 31 August 2013 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, including the Annual Accounts Direction 2013 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Matters on which we are required to report by exception

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

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

Vicky Szulist

Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Arkwright House

Parsonage Gardens

Manchester

M3 2HP

18th December 2013

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2013

In accordance with the terms of our engagement letter dated 18 October 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Parbold Douglas Church of England academy trust during the period 1 September 2012 to 31 August 2013 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 the governing body and the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the governing body of Parbold Douglas Church of England Academy and the EFA those matters we are required to state to it 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 the governing body and the EFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of Parbold Douglas Church of England Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Parbold Douglas Church of England Academy Trust's funding agreement with the Secretary of State of Education dated 1 August 2011 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. 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 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
GOVERNING BODY OF PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY AND THE
EDUCATION FUNDING AGENCY**

FOR THE YEAR ENDED 31 AUGUST 2013

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 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP

Statutory Auditor

Arkwright House

Parsonage Gardens

Manchester

M3 2HP

18th December 2013

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)

FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £	Period 1 August 2011 to 31 August 2012 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
-Voluntary income	3	1,031	2,133	-	3,164	2,642,798
-Activities for generating funds	4	11,236	-	-	11,236	6,371
-Investment income	5	476	-	-	476	230
<i>Incoming resources from charitable activities:</i>						
-Funding for the Academy's educational operations	6	133,210	971,883	6,351	1,111,444	1,018,289
Total incoming resources		<u>145,953</u>	<u>974,016</u>	<u>6,351</u>	<u>1,126,320</u>	<u>3,667,688</u>
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations	8	91,615	951,741	43,351	1,086,707	1,024,651
Governance costs	9	-	11,813	-	11,813	17,337
Total resources expended	7	<u>91,615</u>	<u>963,554</u>	<u>43,351</u>	<u>1,098,520</u>	<u>1,041,988</u>
Net incoming / (outgoing) resources before transfers		54,338	10,462	(37,000)	27,800	2,625,700
Gross transfers between funds	17	(13,248)	12,063	1,185	-	-
Net income/(expenditure) for the year		41,090	22,525	(35,815)	27,800	2,625,700
Other recognised gains and losses						
Introduction of FRS 17 Liability	17,25	-	-	-	-	(175,000)
Actuarial gains/(losses) on defined benefit pension schemes	17,25	-	21,000	-	21,000	(30,000)
Net movement in funds		<u>41,090</u>	<u>43,525</u>	<u>(35,815)</u>	<u>48,800</u>	<u>2,420,700</u>
Reconciliation of funds						
Funds brought forward at 1 September 2012	17	42,783	(182,000)	2,559,917	2,420,700	-
Funds carried forward at 31 August 2013	17	<u>83,873</u>	<u>(138,475)</u>	<u>2,524,102</u>	<u>2,469,500</u>	<u>2,420,700</u>

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

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

BALANCE SHEET
Company Number 07713512

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	13		2,524,102		2,559,917
Investments	14		12,000		-
			<u>2,536,102</u>		<u>2,559,917</u>
Current assets					
Debtors	15	118,285		52,174	
Cash at bank and in hand		168,554		48,581	
		<u>286,839</u>		<u>100,755</u>	
Creditors: Amounts falling due within one year	16	(183,441)		(57,972)	
Net current assets			<u>103,398</u>	<u></u>	<u>42,783</u>
Total assets less current liabilities			2,639,500		2,602,700
Net assets excluding pension liability					
Pension scheme liability	25		<u>(170,000)</u>		<u>(182,000)</u>
Net assets including pension liability			<u>2,469,500</u>		<u>2,420,700</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund	17		2,524,102		2,559,917
General funds	17		31,525		-
Pension Reserve	17		(170,000)		(182,000)
Total restricted funds			<u>2,385,627</u>		<u>2,377,917</u>
Unrestricted funds					
General funds	17		83,873		42,783
Total unrestricted funds			<u>83,873</u>		<u>42,783</u>
Total funds			<u>2,469,500</u>		<u>2,420,700</u>

The financial statements on pages 25 to 27 were approved by the Governors, and authorised for issue on 2013 and are signed on their behalf by:

Dr B McGucken

Dr B McGucken
Chair

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £	Period 1 August 2011 to 31 August 2012 £
Net cash inflow from operating activities	20	132,682	48,351
Returns on investments and servicing of finance	21	476	230
Capital Expenditure	22	(13,185)	-
Increase in cash in the year	23	119,973	48,581
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		48,581	-
Net funds at 31 August 2013		168,554	48,581

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

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

Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. 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.

The governors are happy that the academy is operating at normal capacity. The budget for next year is balanced and cash balances are healthy.

Incoming resources

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

- Grants receivable

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

- Donations

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

- Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

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

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Resources expended

Resources expended are recognised in the period in which they are incurred. They have been classified under headings that aggregate all costs relating to that activity.

Allocation of costs

In accordance with the Charities SORP 2005, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

Charitable activities

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

Governance costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Tangible fixed assets

Assets costing £5,000 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, they are included in the balances 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. The depreciation on such assets is charged in the Statement of Financial Activities over the expected useful economic life of the related asset.

Assets to be inherited from the predecessor school comprise the property and all existing fixtures and fittings and equipment. The assets involved have been recognised in the financial statements on the basis that the lease is agreed, and that the Academy has full use of the assets involved. The property is included at an insurance value based on the cost of rebuilding. The fixture and fittings are included at an amount estimated by the Governors at the date of transfer to the Academy.

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

Long leasehold buildings	50 years
Short-term additions to leasehold buildings	8 years
Fixtures, fittings and equipment	4 years
ICT equipment	3 years

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Leased assets

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

Taxation

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

Investments

Investments are stated at cost less any impairment. The governors review the investment for impairment annually.

VAT accounting

VAT suffered by the Academy up to 31st March 2011 is treated as part of the expenses to which it relates. Funding to cover the VAT suffered is treated as income. From 1st April 2011 VAT suffered by the Academy is recoverable from HMRC and expenses have been recorded net of recoverable VAT.

Pensions benefits

Academy staff are members of one of two pension schemes, which are defined benefit schemes. More details of the schemes are given in the notes to the accounts.

Teachers Pension Scheme

Full and part time teaching staff employed under a contract of service are eligible to contribute to the Teachers Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education. As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in the Financial Reporting Standard 17 and has accounted for its contributions to the scheme as if it were a defined contributions scheme. The pension costs for the scheme represent the contributions payable by the Academy in the year.

Local Government Pension Scheme

Non-teaching members of staff are offered membership to the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of assets and liabilities and the requirements of FRS17 Retirement Benefits have been followed.

The Academy's share of the LGPS assets is measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the Statement of Financial Activities.

Company status and members liability

The company is a private company limited by guarantee and does not have a share capital. The extent of the liability of members of the company on winding up is limited to a maximum of £10 each.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1. STATEMENT OF 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 Trust at the discretion of the governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education, sponsor, or other 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 Education Funding Agency & Department for Education.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2013.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

3. VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	Total 2013	Total Period 1 August 2011 to 31 August 2012
	£	£	£	£
Transfer from Local Authority	-	-	-	42,230
Donations of Building from EFA	-	-	-	2,600,000
Other Donations	1,031	2,133	3,164	568
	<u>1,031</u>	<u>2,133</u>	<u>3,164</u>	<u>2,642,798</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds	Restricted Funds	Total 2013	Total Period 1 August 2011 to 31 August 2012
	£	£	£	£
Lettings Income	8,366	-	8,366	6,371
Fundraising Income	2,870	-	2,870	-
	<u>11,236</u>	<u>-</u>	<u>11,236</u>	<u>6,371</u>

5. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Total 2013	Total Period 1 August 2011 to 31 August 2012
	£	£	£	£
Bank Interest	476	-	476	230
	<u>476</u>	<u>-</u>	<u>476</u>	<u>230</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted Funds	Total 2013	Total Period 1 August 2011 to 31 August 2012
	£	£	£	£
DfE / EFA capital grant				
Devolved Formula Capital allocations	-	6,351	6,351	10,633
Other Dfe/EFA Capital Grants	-	154,831	154,831	-
	<u>-</u>	<u>161,182</u>	<u>161,182</u>	<u>10,633</u>
DfE / EFA revenue grants				
General Annual Grant(GAG)(note 2)	-	690,635	690,635	762,079
LAGSEC SEN Funding	-	41,122	41,122	53,644
Start Up Grants	-	-	-	25,000
School Lunch Grant	-	-	-	5,513
School Standards Fund	-	-	-	7,911
Pupil Premium	-	16,355	16,355	10,411
Primary Associate Academy Grant	-	5,000	5,000	-
Other DfE / EFA grants	-	2,276	2,276	320
	<u>-</u>	<u>755,388</u>	<u>755,388</u>	<u>864,878</u>
Other Government grants				
National School Support Funding	42,125	-	42,125	34,700
Lottery Grant	-	(2,729)	(2,729)	10,000
Teaching School Funding – School Direct	-	53,006	53,006	-
	<u>42,125</u>	<u>50,277</u>	<u>92,402</u>	<u>44,700</u>
Other Income				
School Meal Income	36,642	-	36,642	31,154
School Trip Income	15,388	-	15,388	4,972
After School Club Income	33,931	-	33,931	40,140
Supply Teacher Insurance Claim	-	11,387	11,387	21,389
Other School Income	5,124	-	5,124	423
	<u>91,085</u>	<u>11,387</u>	<u>102,472</u>	<u>98,078</u>
	<u>133,210</u>	<u>978,234</u>	<u>1,111,444</u>	<u>1,018,289</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

7. RESOURCES EXPENDED

	Staff Costs	Non Pay Expenditure		Total	Total Period 1 August 2011 to 31 August 2012
		Premises	Other Costs	2013	
	£	£	£	£	£
Academy's educational operations					-
-Direct costs	538,696		42,276	580,972	734,569
-Allocated support costs	116,853	243,587	145,295	505,735	290,082
	<u>655,549</u>	<u>243,587</u>	<u>187,571</u>	<u>1,086,707</u>	<u>1,024,651</u>
Governance costs including allocated support costs	-	-	11,813	11,813	17,337
	<u>655,549</u>	<u>243,587</u>	<u>199,384</u>	<u>1,098,520</u>	<u>1,041,988</u>
Net Incoming/outgoing resources for the year include:					Period 1 August 2011 to 31 August 2012
				2013	
				£	£
Operating leases				3,398	2,510
Fees payable to auditor -Audit				6,188	4,500
-Other Services				550	1,500
Profit/(loss) on disposal of fixed assets				-	-
				<u>-</u>	<u>-</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

8. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATION OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total Period 1 August 2011 to 31 August 2012 £
Direct costs				
Teaching and educational support staff costs		538,696	538,696	661,292
Educational supplies	17,971	16,954	34,925	66,471
School uniform costs	-	969	969	-
Staff development	-	6,382	6,382	5,802
Recruitment costs	-	-	-	1,004
	<u>17,971</u>	<u>563,001</u>	<u>580,972</u>	<u>734,569</u>
Allocated support costs				
Support staff costs	17,010	99,843	116,853	87,668
Depreciation	-	37,000	37,000	40,083
Maintenance of premises and equipment	2,641	178,568	181,209	52,255
Light & heat	-	13,767	13,767	18,189
Rent & rates	-	10,703	10,703	13,745
Insurance	-	6,514	6,514	8,247
Travel Expense	2,115	3,635	5,750	2,900
Printing, Photocopying and Stationery	-	8,389	8,389	11,231
Telephone	-	4,361	4,361	-
Cleaning	-	908	908	-
Catering	36,072	7,000	43,072	36,158
IT support costs	-	24,146	24,146	6,402
Legal & professional	-	15,678	15,678	8,749
Subscriptions	-	4,645	4,645	3,387
Development courses	1,380	-	1,380	-
National School Support	14,423	-	14,423	-
Teaching School	-	13,547	13,547	-
Other support costs	3	3,387	3,390	1,068
	<u>73,644</u>	<u>432,091</u>	<u>505,735</u>	<u>290,082</u>
	<u>91,615</u>	<u>995,092</u>	<u>1,086,707</u>	<u>1,024,651</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

9. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total Period 1 August 2011 to 31 August 2012 £
Legal and professional fees	-	3,700	3,700	9,367
Auditor's remuneration	-	6,188	6,188	5,500
Responsible officer audit	-	550	550	500
Governors meeting costs	-	1,375	1,375	1,490
Governors training costs	-	-	-	480
	-	11,813	11,813	17,337

10. STAFF COSTS

Staff costs during the period were:

	2013 £	Period 1 August 2011 to 31 August 2012 £
Wages and salaries	544,008	653,003
Social security costs	33,252	39,498
Pension costs	69,289	50,459
	646,549	742,960

	2013 No.	2012 No.
Charitable Activities		
Teachers	8	9
Education support	10	6
Clerical and administration	2	2
Premises	2	2
Management	2	1
	24	20

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

	2013 No.	2012 No.
Over £60,000		
£60,001 - £70,000	1	1

The above participated in the Teachers' Pension Scheme. During the year ended 31 August 2013 pension contributions for this staff member amounted to £8,468 (2012: £9,041).

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

11. GOVERNORS REMUNERATION AND EXPENSES

The principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. The remuneration of the staff governors is included in the banding above.

Other governors did not receive any payments from the Academy in respect of their role as governors.

The value of governors' remuneration for the year was as follows:

P Smith (Principal and governor):	£60,000 - £65,000 (2012: £60,000 - £65,000)
A Worthington (Staff governor):	£30,000 - £35,000 (2012: £40,000 - £45,000)
C Mawdsley (Staff governor):	£10,000 - £15,000 (2012: £10,000 - £15,000)
C Lawson (Staff governor):	£20,000 - £25,000 (2012: £nil)

During the year ended 31 August 2013, there were no expenses reimbursed to governors.

Related party transactions involving the trustees are set out in note 26.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors 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 (2012: £10,000,000) on any one claim and the cost for the year ended 31 August 2013 was £504 (2012: £548).

The cost of this insurance is included in the total insurance cost.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

13. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £	Furniture & Equipment £	Total £
Cost			
At 1 September 2012	2,600,000	-	2,600,000
Additions	-	1,185	1,185
Disposals	-	-	
At 31 August 2013	<u>2,600,000</u>	<u>1,185</u>	<u>2,601,185</u>
Depreciation			
At 1 September 2012	40,083	-	40,083
Charged in year	37,000	-	37,000
Disposals	-	-	-
At 31 August 2013	<u>77,083</u>	<u>-</u>	<u>77,083</u>
Net book values			
At 31 August 2013	<u>2,522,917</u>	<u>1,185</u>	<u>2,524,102</u>
At 31 August 2012	<u>2,559,917</u>	<u>-</u>	<u>2,559,917</u>

The Academy currently occupies the premises under an occupational licence with the Diocese. No licence fee is payable during this period. The land and building has been brought into the accounts at valuation using the valuation report prepared at 28 November 2012 by SHP Valuers (RICS), as a guide for the values at 31 August 2012. The value attributed to the land is £750,000 and this has not been depreciated as it is deemed to have an indefinite life.

14. INVESTMENTS

	Dormant Subsidiaries
Additions	12,000
Disposals	-
At 31 August 2013	<u>12,000</u>

During the period the academy acquired 100% of the share capital of the company Parbold Douglas Nursery Limited, a company incorporated in the UK.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

15. DEBTORS

	2013 £	2012 £
Amounts due from subsidiary undertakings	103	-
Other Debtors	12,382	1,497
Prepayments and accrued income	105,800	50,677
	118,285	52,174

16. CREDITORS: amounts falling due within one year

	2013 £	2012 £
Other Taxation and Social Security	9,733	9,852
Other Creditors	8,888	3,296
Accruals and deferred income	164,820	44,824
	183,441	57,972
Deferred income	2013	2012
	£	£
Deferred Income at 1 September 2012	11,804	-
Resources deferred in the year	71,205	11,804
Amounts released from previous years	(11,804)	-
Deferred Income at 31 August 2013	71,205	11,804

Deferred income at 31 August 2013 includes £6,295 Devolved Formula Capital Grant Funding relating to 2013/14, £39,994 of Teaching School income relating to 2013/14 and £24,966 of school trip and other income received in advance. All amounts were received before the year end but relate to the next year.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

17. FUNDS

	Balance at 1 September 2012	Incoming Resources £	Resources Expended £	Gains, Losses and Transfer s £	Balance at 31 August 2013 £
Restricted general funds					
General Annual Grant (GAG)	-	690,635	(699,969)	9,334	-
Start Up Grant	-	-	-	-	-
LANSEC SEN Funding	-	41,122	(41,122)	-	-
School standards fund	-	-	-	-	-
School Lunch Grant	-	-	-	-	-
Pupil Premium	-	16,355	(16,355)	-	-
Primary Associate Academy Grant	-	5,000	(5,000)	-	-
Other DfE/EFA grants	-	157,107	(157,107)	-	-
PE Teacher Grant	-	-	-	-	-
Lottery Grant	-	(2,729)	-	2,729	-
School Direct	-	53,006	(21,481)	-	31,525
Supply Teacher	-	11,387	(11,387)	-	-
Insurance Claim	-	-	-	-	-
Donations	-	2,133	(2,133)	-	-
Pension reserve	(182,000)	-	(9,000)	21,000	(170,000)
	<u>(182,000)</u>	<u>974,016</u>	<u>(963,554)</u>	<u>33,063</u>	<u>(138,475)</u>
Restricted fixed asset funds					
Transfer of Building	2,559,917	-	(37,000)	-	2,522,917
Devolved Formula Capital	-	6,351	(6,351)	-	-
Capital Expenditure from GAG	-	-	-	1,185	1,185
	<u>2,559,917</u>	<u>6,351</u>	<u>(43,351)</u>	<u>1,185</u>	<u>2,524,102</u>
Total restricted funds	<u>2,377,917</u>	<u>980,367</u>	<u>(1,006,905)</u>	<u>34,248</u>	<u>2,385,627</u>
Unrestricted funds					
Unrestricted funds	42,783	145,953	(91,615)	(13,248)	83,873
Total unrestricted funds	<u>42,783</u>	<u>145,953</u>	<u>(91,615)</u>	<u>(13,248)</u>	<u>83,873</u>
Total funds	<u>2,420,700</u>	<u>1,126,320</u>	<u>(1,098,520)</u>	<u>21,000</u>	<u>2,469,500</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

17 FUNDS

Restricted General Funds are used specifically to provide educational resources for the pupils of the Academy.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

Restricted Fixed Asset Funds provide for the installation, maintenance and repair of the Fixed Assets of the Academy.

Unrestricted Funds are those other resources which may be used to further the objectives of the Academy.

The transfer from the restricted general funds to fixed assets reflect capital expenditure from GAG funding. The transfer from unrestricted funds to restricted funds represents unrestricted funds providing for the provision of education in line with GAG conditions and the repayment of the lottery grant.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2013 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	12,000	-	2,524,102	2,536,102
Current assets	255,314	31,525	-	286,839
Current liabilities	(183,441)	-	-	(183,441)
Pension scheme liability	-	(170,000)	-	(170,000)
Total net assets	83,873	(138,475)	2,524,102	2,469,500

19. FINANCIAL COMMITMENTS

Operating leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
<u>Other</u>		
Expiring within one year	-	-
Expiring within two and five years inclusive	2,836	2,836
Expiring in over five years	562	562

3,3983,398

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

20. RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Net income	27,800	2,625,700
Depreciation (note 13)	37,000	40,083
Donated land and buildings	-	(2,600,000)
Interest receivable (note 5)	(476)	(230)
FRS 17 pension cost less contributions payable (note 27)	3,000	(29,000)
FRS 17 pension finance income (note 25)	6,000	6,000
(Increase)/decrease in debtors	(66,112)	(52,174)
Increase/(decrease) in creditors	125,470	57,972
Net cash inflow from operating activities	<u>132,682</u>	<u>48,351</u>

21. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2013	2012
	£	£
Interest received	476	230
Net cash inflow from returns on investment and servicing of finance	<u>476</u>	<u>230</u>

22. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2013	2012
	£	£
Purchase of tangible fixed assets	(1,185)	-
Purchase of subsidiary undertaking	(12,000)	-
Net cash outflow from capital expenditure and financial investment	<u>(13,185)</u>	<u>-</u>

23. ANALYSIS OF CHANGE IN NET FUNDS

Analysis of changes in net funds	At 1 September 2012	Cash flows	At 31 August 2013
	£	£	£
Cash in hand and at bank	48,581	119,973	168,554
	<u>48,581</u>	<u>119,973</u>	<u>168,554</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

24. 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.

25. PENSION AND OTHER 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 Tameside MBC, Administering Authority for Greater Manchester 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 2010.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

25. PENSION AND OTHER OBLIGATIONS (continued)

Valuation of the Teachers' Pension Scheme

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

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

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just outside of the 10 year protection.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

25. PENSION AND OTHER OBLIGATIONS (continued)

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

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.

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.

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 2013 was £30,736 of which employer's contributions totalled £23,394 and employees' contributions totalled £7,342. The agreed contribution rates for future years are 14.6% per cent for employers and between 5.5% and 7.5% depending on pay, for employees.

Principal Actuarial Assumptions	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	4.4%	4.30%
Rate of increase for pensions in payment / inflation	2.4%	2.30%
Discount rate for scheme liabilities	4.6%	4.50%
Inflation assumption (CPI)	2.4%	2.30%
Commutation of pensions to lump sums	50%	50%

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 2013	At 31 August 2012
<i>Retiring today</i>		
Males	22.1	22.0
Females	24.8	24.7

Retiring in 20 years

Males
Females

23.9
26.7

23.8
26.6

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

25. PENSION AND OTHER OBLIGATIONS (continued)

Local Government Pension Scheme
(Continued)

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

	Expected return at 31 August 2013	Fair value at 31 August 2013 £
Equities	7%	159,000
Government Bonds	3.4%	22,000
Other Bonds	4.4%	64,000
Property	5.7%	26,000
Cash	0.5%	15,000
Other assets	Depends on asset type	26,000
Total market value of assets		312,000
Present value of scheme liabilities		
- Funded		(482,000)
Surplus/(deficit) in the scheme		(170,000)

The actual return on the scheme assets was £35,000.

The estimated return on the scheme assets for period 1 September 2013 to 31 August 2014 is (£18,000).

Amounts recognised in the statement of financial activities

	2013 £	2012 £
Prior year movement	-	-
Current service cost (net of employee contributions)	26,000	26,000
Past service cost	-	-
Total operating charge	26,000	26,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(15,000)	(14,000)
Interest on pension liabilities	21,000	20,000
Pension finance income / (costs)	6,000	6,000

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

25. PENSION AND OTHER OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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 £9,000 loss.

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

	2013	2012
	£	£
At 1 September 2012	432,000	-
Current service cost	26,000	26,000
Interest cost	21,000	20,000
Employee contributions	7,000	8,000
Actuarial (gain)/loss	-	23,000
Benefits paid	(4,000)	-
Past Service cost	-	-
Introduction of pension scheme	-	355,000
At 31 August 2013	482,000	432,000

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

	2013	2012
	£	£
At 1 September 2012	250,000	-
Expected return on assets	15,000	14,000
Actuarial gain/(loss)	21,000	(7,000)
Employer contributions	23,000	55,000
Employee contributions	7,000	8,000
Benefits paid	(4,000)	-
Introduction of pension scheme	-	180,000
At 31 August 2013	312,000	250,000

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

The estimated value of employer contributions for the year ended 31 August 2014 is £23,000

The five-year history of experience adjustments is as follows:

	2013	2012
	£	£
Present value of defined benefit obligations	(482,000)	(432,000)
Fair value of share of scheme assets	312,000	250,000
Deficit in the scheme	<u>(170,000)</u>	<u>(182,000)</u>
	£	£
Experience adjustments on share of scheme assets - Gains/(Losses)	<u>21,000</u>	<u>(7,000)</u>
Experience adjustments on share of scheme liabilities - Gains/(Losses)	<u>-</u>	<u>-</u>

26. RELATED PARTY TRANSACTION

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have 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.

During the year Parbold Douglas Church of England Academy incurred expenses on behalf of Parbold Douglas Nursery Limited, a 100% subsidiary, amounting to £4,622 (2012: £Nil). Parbold Douglas Nursery Limited repaid £4,519 (2012: £Nil) during the year. At 31 August 2013, £103 (2012: £Nil) was owed from Parbold Douglas Nursery Limited.

The Academy also incurred costs of £7,841, including an accrual at the year end of £831, relating to the accountancy services of Mrs N Greenhalgh, who is the wife of parent governor Mr S Greenhalgh.

A report to Governors

Principal's additional report



Christo et Doctrinae

Autumn 2013

This report is produced in addition to the statutory accounts document formulated with Crowe Clark Whitehill

Principal's report

Parbold Douglas Church of England Academy

The current picture

As of December 2013 we have 197 NOR

CLASS	NOR	STAFF
Reception	22	Miss Debbie Cook, Miss Carol Mawdsley, Mrs Yvonne Holden/ Mrs Sue Stephenson
Year 1	35	Miss Stephanie Bland, Miss Lisa Wright
Year 2	30	Mrs Jessica Churchward, Mrs Cheryl Craddock/ Mrs Lesley Fellowes
Year 3	31	Miss Kate Bixter, Mrs Debbie Abraham, Mrs Susie Harman
Year 4	30	Mr David Jones, Mrs Robbin Ross
Year 5	17	Miss Katie Diamond, Mrs Julie Jones
Year 6	32	Mr Christopher Lawson, Miss Pauline Eccles, Mrs Sharon Northey

We have employed Le Club Francais to support the teaching of Foreign Languages in school. This is delivered on a contract basis with staff who hold Qualified Teacher Status and have many years experience in schools.

We are also working with West Lancashire Sports Partnership to deliver high quality sports coaching in line with the Government's Sports Premium funding.

We continue to monitor the impact of the pupil premium funding in school.

The leadership structure in school is establishing to provide long term succession planning for the school. In relatively small organisations, such as ourselves, we ask staff to wear many hats with Middle Leaders in particular being asked to