

**FIRTHMOOR PRIMARY SCHOOL
(A Company Limited by Guarantee)**
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014
Registered Number 08027879 (England and Wales)

Baker Tilly Tax and Accounting Limited

Chartered Accountants

Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

FIRTHMOOR PRIMARY SCHOOL
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014

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FIRTHMOOR PRIMARY SCHOOL
REFERENCE AND ADMINISTRATIVE DETAILS
YEAR ENDED 31 AUGUST 2014

Members	J F Dean (Chair) P M Irving V H Pace
Trustees	J F Dean (Chair) P M Irving V H Pace A Dixon (Headteacher and Accounting Officer) V Johnson (Deputy Headteacher and Staff Trustee) C Pearson M True (Staff Trustee) A Savage (Staff Trustee) C Smithurst D Owen K Roberts
Finance, Audit, Premises, and General Purposes Committee	J F Dean (Chair) A Dixon P M Irving V H Pace C Pearson
Company Secretary	J Brooks
Senior Management Team	
Executive Head Teacher	A Dixon
Deputy Head Teacher	V Johnson
Academy Business Manager	J Brooks
Principal and Registered Office	Firthmoor Primary School Ingleby Moor Crescent Darlington County Durham DL1 4RW
Company Registration Number	08027879 (England and Wales)
Independent Auditor	Baker Tilly UK Audit LLP Chartered Accountants Tenon House Ferryboat Lane Sunderland SR5 3JN
Bankers	Lloyds TSB Skinnergate Darlington Co Durham DL3 7ND
Solicitors	Bond Dickinson LLP St Ann's Warf 112 Quayside Newcastle upon Tyne NE1 3DX

FIRTHMOOR PRIMARY SCHOOL
TRUSTEES' REPORT
YEAR ENDED 31 AUGUST 2014

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2013 to 31 August 2014. The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in the east of Darlington. It has a pupil capacity of 354 and had a roll of 311 in the school census on 2 October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Firthmoor Primary School (the "Academy") incorporated on 12 April 2012 and commenced operation as an Academy on 1 May 2012. It is a company limited by guarantee with no share capital (registration number 08027879) and an exempt charity under the Academies Act 2010. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. Directors of the charitable company are nominated by either the Secretary of State for Education or by the members.

The trustees of the Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Principal Activities

The principal object and activity of the charitable company is the operation of Firthmoor Primary School to advance for the public benefit, 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.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed under the rules contained within the Academy's Memorandum and Articles of Association and membership of the Governing Body is in accordance with the structure contained within it. The term of office for each Trustee is four years, and up to 12 Governors may be appointed.

The members may appoint staff Trustees through any process as they may determine, provided that the total number of Governors (including the Head Teacher) who are employees of the Academy Trust does not exceed one third of the total number of Trustees.

- The Head Teacher shall be treated for all purposes as being an ex officio Trustee.
- The Local Authority may appoint the Local Authority Trustee.

The Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when they are elected. If the number of parents standing for election is less than the number of vacancies, then the Governing Body can appoint them.

FIRTHMOOR PRIMARY SCHOOL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT (*continued*)

The Governors may appoint up to 3 co-opted Trustees. The Trustees may not co-opt an employee of the Academy Trust as a co-opted Trustee if thereby the number of Trustees who are employees of the Trust would exceed one third of the total number of Trustees.

The Secretary of State may appoint additional Trustees as he sees fit if he has given the Trustees a warning notice, and the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience. All new Trustees will be given a tour of the Academy and the chance to meet with staff and students. All Trustees can access the training and information available via the governance support service level agreement. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Training records are maintained within the Academy and induction tends to be done informally and is tailored specifically to the individual. The Academy subscribe to GEL to support governor training needs.

Organisational Structure

The management structure consists of:

- The Trustees
- The Senior Leadership Team (1 Head Teacher, 1 Deputy Head Teacher, 1 SENCO, 1 Curriculum Leader and 1 Inclusion Officer)
- The Academy Business Manager

The Trustees are responsible for setting general policy, 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. Much of the detailed work of Trustees is done by the sub committees.

The Senior Leadership Team controls the Academy at an executive level, implementing policy and reporting to Trustees. The Head Teacher, Trustees and senior staff are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Leadership Team always contain a Trustee.

Connected Organisations including Related Party Relationships

Firthmoor Primary School is a stand alone Academy and not part of a Multi Academy Trust. There are no connected organisations which have been identified. Related party relationships are disclosed within Note 26 of the financial statements. There were no related party transaction under the period of review, other than those disclosed within the financial statements.

Risk Management

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, child protection and school off site visits) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, safer recruitment procedures, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

FIRTHMOOR PRIMARY SCHOOL
TRUSTEES' REPORT
YEAR ENDED 31 AUGUST 2014

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objective and aim of the charitable company, Firthmoor Primary School, is to provide education for students of varying abilities between the ages of 3 and 11.

Objectives, Strategies and Activities

The Academy's main objectives are encompassed in its ethos and values which are as follows:

- At Firthmoor Primary School, we are dedicated to providing the very best care and education for all our children. We want our school to be a happy, inclusive and successful community. Within a safe, positive and supportive environment, our children are encouraged to take responsibility for their own health and well-being.
- We promote a love of learning, which encourages our children to aim high and become valuable members of society and pride ourselves on being a school at the heart of the Firthmoor Community, involving pupils, parents and the wider community in our achievements.

The main objectives of the Academy are summarised below:

- To promote the development of all children, ensuring learning opportunities and programmes are in place for children to make good progress;
- To encourage children to grow and develop their potential by allocating resources, enabling them to fully participate in the life of the school;
- To raise the standard of educational achievement of all students;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

We achieve these aims by:

- Providing tuition and learning opportunities for all students to attain appropriate academic and vocational qualifications;
- Offering a broad and balanced curriculum that promotes equal opportunities for all the children within our school;
- Engage with partner agencies in developing appropriate provision and supportive strategies;
- Encourage pupils to develop their own independence and individuality by exploring their strengths and limitations;
- Providing training opportunities for all staff;
- Creating and maintaining strong links with community groups and external stakeholders; and
- Provide a programme of cultural and spiritual activities to ensure that students have the widest possible life experience at school and learn respect for other races, religions and social groups.

FIRTHMOOR PRIMARY SCHOOL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

Objectives and Activities (*continued*)

Public Benefit

The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives.

STRATEGIC REPORT

Achievements and Performance

Attendance remains just above national average at 97% with only 0.1% unauthorised absence.

In end of Key Stage assessments the Academy continues with an upward trend.

KS1 - pupils achieving L2B+.

Reading	64% (2013)	67% (2014)
Writing	54% (2013)	54% (2014)
Maths	64% (2013)	67% (2014)

KS2 – pupils achieving L4+

Reading	82% (2013)	91% (2014)
Writing	79% (2013)	82% (2014)
Maths	93% (2013)	91% (2014)
GPS	68% (2013)	73% (2014)

In 2014, expected progress scores from KS1 to KS2 were all above floor targets (96% in Reading 98% in Writing and Maths)

To ensure that standards continue to rise the Academy is focused on further improving the quality of teaching and learning. It tracks individual pupil progress and attainment rigorously, providing targeted interventions to ensure good progress for all pupils. A programme of lesson observations and work scrutinises, combined with intensive staff development, is planned to ensure maximum impact on pupil progress.

Financial Review

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

The Academy received Academies Capital Maintenance funding and a small Devolved Capital Grant in the year for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grant income is shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2014, total expenditure of £1,516,648 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds before transfers) was £204,439.

At 31 August 2014 the net book value of fixed assets was £2,491,265 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

FIRTHMOOR PRIMARY SCHOOL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

The Academy held fund balances at 31 August 2014 of £2,573,624 comprising £254,501 (excluding the LGPS pension deficit) of restricted funds, £2,491,265 of restricted fixed asset funds, £190,858 of unrestricted general funds and a pension reserve deficit of £363,000.

Reserves Policy

The Trustees 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 Trustees have determined that the appropriate level of free reserves should be equivalent to one month's expenditure, approximately £126,000. 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 (total funds less the amount held in fixed assets and restricted funds) are in surplus by £190,858 which is sufficient.

Investment Policy

Firthmoor Primary School aims to manage its cash balances to provide for the day-to-day requirement of its operations while protecting the real long-term value of any surplus cash balances against inflation. In addition the school aims to invest surplus cash funds to optimise returns, but ensure that the investments are such that there is no risk to the loss of these cash funds.

It is recognised that most funds will be held within the school current accounts, which are interest bearing. However where the cash flow identifies a base level of cash funds that will be surplus to requirements; these may be invested in an interest bearing account with one of the recognised high street banks.

Key performance indicators

- External School Improvement Partner Reports
- Attendance
- Exclusions
- Quality of Teaching
- Overall Ofsted Judgements

Plans for Future Periods

The Academy will be looking at directing reserves towards:

- Purchase of resources to deliver the new curriculum
- One to One and small group intervention for focus pupils
- Increased pastoral support
- Enhancement of outdoor space

Principal Risks and Uncertainties

Principal risks to which the Academy is exposed to are Financial, Staffing, Academic and other operational areas. The Governing Body review and assess these risks regularly and implement plans and procedures to mitigate these risks.

The principal risks and uncertainties are centred on the level of funding from the EFA. In addition the Academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Academy Balance Sheet.

FIRTHMOOR PRIMARY SCHOOL
TRUSTEES' REPORT
YEAR ENDED 31 AUGUST 2014

GOING CONCERN

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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


AUDITOR

Baker Tilly Audit Limited ceased trading on 31 March 2014. The directors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as auditor on 1 April 2014 to fill the casual vacancy. In accordance with Companies Act 2006 a resolution proposing the appointment of Baker Tilly UK Audit LLP as auditor will be put to the members.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of Trustees in their capacity as the directors at a meeting on 27.11.14 and signed on its behalf by:

.....

J F Dean
Chair

FIRTHMOOR PRIMARY SCHOOL
GOVERNANCE STATEMENT
YEAR ENDED 31 AUGUST 2014

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Head Teacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Firthmoor Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Governing Body has formally met 14 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
J F Dean (Chair)	14	14
A Dixon (Head Teacher & Accounting Officer)	14	14
P M Irving	12	14
V H Pace	9	14
C Pearson	0	13
K Roberts	5	6
D Owen	6	6
A Savage (Staff Trustee)	3	3
V Johnson (Staff Trustee)	6	6
C Smithurst (Staff Trustee)	6	6
M True (Staff Trustee)	6	6

The Finance, Audit, Premises and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to ensure the school has strategic plans in place to deliver effective teaching and learning within the school budget. Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
J F Dean (Chair)	4	4
A Dixon (Head Teacher & Accounting Officer)	4	4
P M Irving	4	4
V H Pace	1	4
C Pearson	0	4

FIRTHMOOR PRIMARY SCHOOL
GOVERNANCE STATEMENT
YEAR ENDED 31 AUGUST 2014

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Audit, Premises and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Baker Tilly Risk Advisory Services LLP to assist the Responsible Officer whose role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems on a termly basis. Baker Tilly Risk Advisory Services LLP reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

No material control issues have arisen as a result of the work of the internal audits.

FIRTHMOOR PRIMARY SCHOOL
GOVERNANCE STATEMENT
YEAR ENDED 31 AUGUST 2014

Review of Effectiveness

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


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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit, Premises and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 27/11/14 and signed on its behalf by: 27.11.14

J F Dean
Chair




A Dixon
Accounting Officer

FIRTHMOOR PRIMARY SCHOOL
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
YEAR ENDED 31 AUGUST 2014

As Accounting Officer of Firthmoor Primary School, I have considered my responsibility to notify the Academy Trust's Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook.

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

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



A Dixon
Accounting Officer

Date: 27/11/14

FIRTHMOOR PRIMARY SCHOOL
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2014

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

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

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

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

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

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

Approved by order of the members of the board of trustees on.....27.11.14.....and signed on its behalf by:

J F Dean
Chair



FIRTHMOOR PRIMARY SCHOOL
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 AUGUST 2014

We have audited the financial statements of Firthmoor Primary School for the year ended 31 August 2014 on pages 15 to 38. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, the Trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FIRTHMOOR PRIMARY SCHOOL
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 AUGUST 2014

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:

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime.

Baker Tilly UK Audit LLP

KEVIN ROONEY (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

Date: *27 NOVEMBER 2014*

FIRTHMOOR PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

(including Income and Expenditure Account and Statement of Recognised Gains and Losses)

FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total period from 12 April 2012 to 31 August 2013 £
Incoming resources						
<i>Income resources from generated funds:</i>						
Voluntary income	2	421	–	31,492	31,913	2,018
Transfer from Local Authority on conversion	27	–	–	–	–	2,420,602
Investment income	4	1,419	–	–	1,419	423
Activities for generating funds	3	34,257	–	–	34,257	36,276
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	<u>10,719</u>	<u>1,606,289</u>	<u>–</u>	<u>1,617,008</u>	<u>1,897,292</u>
Total incoming resources		<u>46,816</u>	<u>1,606,289</u>	<u>31,492</u>	<u>1,684,597</u>	<u>4,356,611</u>
Resources expended						
<i>Cost of generating funds:</i>						
Cost of generating funds		35,002	35,003	–	70,005	84,596
<i>Charitable activities:</i>						
Academy's educational operations	7	4,594	1,365,403	67,982	1,437,979	1,835,834
Governance costs	8	–	<u>8,664</u>	–	<u>8,664</u>	<u>26,506</u>
Total resources expended		<u>39,596</u>	<u>1,409,070</u>	<u>67,982</u>	<u>1,516,648</u>	<u>1,946,936</u>
Net incoming/ (outgoing) resources before transfers		7,220	197,219	(36,490)	167,949	2,409,675
Gross transfers between funds		–	<u>(57,551)</u>	<u>57,551</u>	–	–
Net income/(expenditure) for the year		<u>7,220</u>	<u>139,668</u>	<u>21,061</u>	<u>167,949</u>	<u>2,409,675</u>
Other recognised gains and losses:						
Actuarial gains/(losses) on defined benefit pension schemes		–	<u>71,000</u>	–	<u>71,000</u>	<u>(75,000)</u>
Net movement in funds		<u>7,220</u>	<u>210,668</u>	<u>21,061</u>	<u>238,949</u>	<u>2,334,675</u>
Reconciliation of funds						
Total funds balances brought forward at 1 September 2013		<u>183,638</u>	<u>(319,167)</u>	<u>2,470,204</u>	<u>2,334,675</u>	–
Total funds balances carried forward at 31 August 2014		<u>190,858</u>	<u>(108,499)</u>	<u>2,491,265</u>	<u>2,573,624</u>	<u>2,334,675</u>

All of the Academy Trust's activities derive from continuing operations in the current financial year.

The notes on pages 18 to 38 form part of these financial statements.

FIRTHMOOR PRIMARY SCHOOL
BALANCE SHEET AS AT 31 AUGUST 2014

COMPANY NUMBER: 08027879

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	12	2,491,265		2,470,204	
Current assets					
Stock	13	3,842		1,303	
Debtors	14	96,916		78,832	
Cash at bank and in hand		<u>550,213</u>		<u>346,230</u>	
		650,971		426,365	
Liabilities					
Creditors: amounts falling due within one year	15	<u>(199,229)</u>		<u>(140,894)</u>	
Net current assets			<u>451,742</u>		<u>285,471</u>
Total assets less current liabilities			2,943,007		2,755,675
Creditors: amounts falling due after one year	16		<u>(6,383)</u>		—
Net assets excluding pension liability			2,936,624		2,755,675
Pension scheme liability	25		<u>(363,000)</u>		<u>(421,000)</u>
Net assets including pension liability			2,573,624		2,334,675
			<u>=====</u>		<u>=====</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	17	2,491,265		2,470,204	
General fund	17	254,501		101,833	
Pension reserve	25	<u>(363,000)</u>		<u>(421,000)</u>	
Total restricted funds			2,382,766		2,151,037
Total unrestricted income funds	17		<u>190,858</u>		<u>183,638</u>
Total funds			2,573,624		2,334,675
			<u>=====</u>		<u>=====</u>

The financial statements on pages 15 to 38 were approved by the trustees and authorised for issue on22.11.14.....and are signed on their behalf by:

J F Dean
Chair of trustees



The notes on pages 18 to 38 form part of these financial statements.

FIRTHMOOR PRIMARY SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	20	260,115	133,919
Returns on investment and servicing of finance	21	1,419	423
Capital expenditure	22	(57,551)	(42,096)
Cash transferred on conversion to Academy Trust	27	—	<u>253,984</u>
Increase in cash in the period		203,983	346,230
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		<u>346,230</u>	—
Net funds at 31 August 2014		<u>550,213</u>	<u>346,230</u>

The notes on pages 18 to 38 form part of these financial statements.

FIRTHMOOR PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion to an Academy Trust

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

The assets and liabilities transferred on conversion from Firthmoor Primary School to the Academy were valued at their fair value being a reasonable estimate of the market value that the Governors would expect to pay in an open market for an equivalent item. The fair value is in accordance with policies set out for Firthmoor Primary School. The amounts were recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The School land and buildings were transferred from Darlington Borough Council under a 125 year lease and have therefore been recognised at fair value as an asset on conversion. The land was not been included within this valuation on the basis that the value would be immaterial to the financial position.

Going concern

After reviewing financial and other information available, the Trustees consider that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Incoming resources

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

• **Grants receivable**

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

General Annual Grant (the 'GAG') from the DfE, which is intended to meet recurrent costs, is recognised in full in the year for which it is receivable and is credited to the Statement of financial Activities, to the extent the conditions of funding have been met. Any unspent amount is reflected as a balance in the restricted general fund and any abatement in respect of the period is deducted from income and is recognised as a liability.

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