

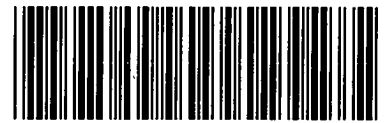
**Cuckoo Hall Academies
Trust**

**Annual Report and Financial
Statements**

31 August 2014

Company Limited by Guarantee
Registration Number
07355559 (England and Wales)

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Reference and administrative information

Members and Trustees

Mrs A Efthymiou (Chair)*
Mrs S Ahmet
Mr M Charalambous#
Mrs M Elcock
Mr D Gold#
Mr D Graham
Mrs C Kyriacou (resigned 7 November 2014)
Mrs B Jordan*
Mr M Laban
Mrs B Lappage
Prof. A O'Hear
Mr P Sowter#
Mrs P Sowter
Mrs A Zinkin*

*members of the Finance and Premises Committee

#members of the Audit Committee

Company Secretary

Mr G Davis

Senior Management Team

Executive Head Teacher & CEO	Mrs P Sowter
Head Teacher	Mrs S Ahmet – Cuckoo Hall Academy
Head Teacher	Mrs M Elcock – Heron Hall Academy
Head Teacher	Mr M Laban – Kingfisher Hall Primary Academy
Head Teacher	Ms A Edmonds – Woodpecker Hall Primary Academy
Director of Finance & Operations	Mr M Hesketh

Registered address

Cuckoo Hall Academy
Cuckoo Hall Lane
Edmonton
London
N9 8DR

Company registration number

07355559

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Reference and administrative information

Bankers National Westminster Bank
9 The Town
Enfield
Middlesex
EN2 6LH

Solicitors Stone King LLP
16 St John's Lane
London
EC1M 4BS

Trustees' report 31 August 2014

The trustees present their annual report together with the financial statements and the auditor's reports of the charitable company for the period 01 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 3 primary and 1 secondary academies in the Enfield area. Its academies have a combined pupil capacity of 1,470 and had a roll of 1,459 in the school census on the 02 October 2014 (Autumn 2014) Census date. Within four years the Primary academies will be full. By 2027/28 Heron Hall Academy will be full.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust ("the Trust"). The trustees of Cuckoo Hall Academies Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cuckoo Hall Academies Trust.

Details of the trustees who served on the board of the Trust 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

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

Trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 2006. The trustees listed on Page 1 were in office at 31 August 2014 and served throughout the year (so there were no appointments / resignations). One trustee (Mrs C Kyriacou) resigned on 07 November 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of trustees

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

- ◆ up to 7 Trustees who are appointed by members
- ◆ up to 5 Chairs of the Local Governing Bodies
- ◆ up to 5 Head Teachers of the Academies
- ◆ the Chief Executive Officer
- ◆ up to 3 Co-opted Directors
- ◆ additional trustees can be appointed by the Secretary of State

Trustees are appointed for a four year period, except for the Chief Executive Officer/Executive Head Teacher. Any election of the Academy Trust's Directors which is contested shall be held by secret ballot.

Policies and procedures adopted for the induction and training of trustees

Trustees of CHAT and Governors on local governing bodies will vary in their experience. However, all need to be clear about their roles and responsibilities. New trustees sign up to the Purpose and Role of the Trustee & Code of Practice which sets out what is expected of a Director or Governor. The training and induction provided for new Trustees includes a tour of the Academies and a chance to meet staff and pupils. Formal training is delivered to Directors and Governors on a range of issues including strategic direction, improvement and accountability.

Organisational structure

Cuckoo Hall Academy, Woodpecker Hall Primary Academy, Kingfisher Hall Primary Academy and Heron Hall Academy are governed by the Cuckoo Hall Academies Trust which delegates functions as appropriate to the individual School Governing Bodies, the governors of whom are appointed by the Academy Trust together with two parental representatives and one staff governor.

The organisational structure of the Academy Trust consists of three levels: the Trustees, School Governors and the Senior Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Trustees are responsible for setting general policy, adopting an annual plan and budget for the Academy Trust, monitoring progress in each Academy on a financial and performance basis at a strategic level and calling to account the individual School Governing Bodies and the Cuckoo Hall Academies Trust (CHAT) Senior Management Team for the progress in each Academy. The Trustees are also responsible for the appointment of senior staff in the Academy Trust, but may delegate appointments to the Local Governing Body except for the appointment of the Head Teacher of an Academy and the Executive Head Teacher (Chief Executive Officer).

The individual School Governing Bodies are responsible for monitoring the performance of the Head Teacher and his/her Senior Leadership Team (SLT) on a regular basis.

The CHAT Senior Management Team members are the Executive Head Teacher, Head Teachers of each of the Academies and the Director of Finance and Operations. These managers control the Academy Trust at an executive level implementing the policies laid down by the Trustees and Governors and reporting back to them. As a group the senior managers are responsible for the authorisation of spending within agreed budgets and for the appointment of staff.

Connected organisations, including related party relationships

There are no related parties which either control or significantly influence the decisions and operations of Cuckoo Hall Academies Trust. As a convertor Academy there are no external sponsors.

Transactions with Trustees and Governors are set out in note 27 to the accounts.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the Charitable Company is the operation of Academies to provide a broad and balanced education including English, Mathematics and Science as all-ability inclusive schools.

At present Cuckoo Hall Academies Trust is responsible for the operation of Cuckoo Hall Academy, Woodpecker Hall Primary Academy (which opened in September 2011), Kingfisher Hall Primary Academy (which opened in September 2012) and Heron Hall Academy (a new Secondary free school which opened in September 2013). Cuckoo Hall Academies Trust has also taken on the transfer of Enfield Heights Academy (a Primary free School) from CfBT Education Trust. This transfer was effective from 01 September 2014 and therefore it is not included in these financial statements.

All Academies established by Cuckoo Hall Academies Trust will:

- ♦ be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community;

OBJECTIVES AND ACTIVITIES (continued)

Objects and aims (continued)

- ◆ undertake regular assessments of pupils performance;
- ◆ establish an admissions policy and admission arrangements which is in accordance with admissions law, and the DfE Codes of Practice;
- ◆ place an emphasis on the needs of the individual pupils including pupils with special education needs (SEN), both those with and without statements of SEN;
- ◆ not charge in respect of admission to an Academy, and the Academy will only charge pupils where the law allows maintained schools to charge;
- ◆ make provision for the teaching of religious education and for a daily act of collective worship at each Academy.

The aims of the Cuckoo Hall Academies Trust are to:

- ◆ drive up the quality of education provision and standards to ensure excellent outcomes for all pupils;
- ◆ share resources, expertise and provision across the family of CHAT schools ensuring value for money Academies;
- ◆ be a self-sustaining and self-improving group of schools, with emphasis on relying on school leaders, teachers, support staff and parents to ensure a good quality of education for all; and
- ◆ share our expertise with as many young people and communities as is possible.

Objectives, strategies and activities

The Key Priorities for the year are contained in the Cuckoo Hall Academy, Woodpecker Hall Primary Academy, Kingfisher Hall Primary Academy and Heron Hall Academy School Improvement Plans which are available from Mrs P Sowter, who is the Executive Head Teacher and the Accounting Officer.

The key objectives for the Cuckoo Hall Academies Trust are to:

- ◆ make CHAT Academies the primary school of first choice for parents in the area and be fully subscribed;
- ◆ become an employer of choice with considerable competition for vacancies; and
- ◆ ensure the successful establishment of Heron Hall Academy, the new Secondary free school opened by Cuckoo Hall Academies Trust.

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit

In setting the Academy Trust's objectives and planning its activities, the Board of trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

Summer 2014 saw the formal Ofsted Inspections of two of our schools. Firstly, Kingfisher Hall Primary Academy was inspected by Ofsted in early June 2014 which resulted in an "Outstanding School" rating. In addition to the overall headline "Outstanding" rating, the school also achieved a clean sweep of Outstanding ratings across all five key measures, namely: Overall Effectiveness, Achievement of Pupils, Quality of Teaching, Behaviour and Safety of Pupils, and Leadership and Management.

Secondly, shortly afterwards, Cuckoo Hall Academy was inspected in late June 2014. The overall inspection grade was a "Good" rating, with Good being allocated across each of the five key measures.

Cuckoo Hall Academy's pupil attainment at the end of Key Stage 2 (KS2) over the past three years has been significantly above the national picture in 2 out of 3 years. In 2013 there was a dip which meant that the academy did not meet the government's floor standards which set the minimum expectations for pupils' attainment and progress in English and Mathematics. This dip has been addressed as follows.

Key Stage 2 Level 4+ floor target for summer 2014 was 65% for Reading, Writing and Mathematics. In Reading 85% achieved Level 4+, in Writing 94% achieved Level 4+ and in Mathematics 82% achieved Level 4+. Furthermore, in Reading 65% achieved Level 4b+ (60% in 2013), in Writing 88% achieved Level 4b+ (51% in 2013), and in Mathematics 76% achieved Level 4b+ (53% in 2013). It is also worth pointing out that Level 6+ extension papers were attempted for the first time in Cuckoo Hall, and in Writing 10% achieved Level 6+, and in Mathematics 11% achieved Level 6+. Overall, 76% of pupils at the end of Key Stage 2 achieved a Level 4 in Reading, Writing and Mathematics combined, exceeding government floor targets of 65%.

Also at Cuckoo Hall at the end of Key Stage 1, the very large majority of pupils in Year 2 made outstanding progress in relation to the outcomes they achieved in Reading, Writing and Mathematics. In Reading, 85% achieved Level 2b+ (National 81%); and 47% achieved Level 3+ (National 31%). In Writing 77% achieved Level 2b+ (National 70%), and 22% achieved Level 3+ (National 16%). In Mathematics 84% achieved Level 2b+ (National 80%), and 27% achieved Level 3+ (National 24%).

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Woodpecker Hall Primary Academy undertook Key Stage 1 tests for Year 2 pupils for the first time in summer 2014. The very large majority of pupils made outstanding progress in relation to the outcomes they achieved in Reading, Writing and Mathematics. In Reading 92% achieved Level 2b+ (National 81%); and 62% achieved Level 3+ (National 31%). In Writing 82% achieved Level 2b+ (National 70%), and 30% achieved Level 3+ (National 16%). In Mathematics 90% achieved Level 2b+ (National 80%), and 47% achieved Level 3+ (National 24%).

Comparatively in Woodpecker outcomes between boys and girls are broadly in line with the exception of level 2b+ and 2a+ in writing where girls outperform boys. At Cuckoo Hall the girls outperform the boys in the majority of sublevels for Reading and Writing. In Maths the gender groups are broadly in line with the exception of level 3+ where the boys do better than the girls. At all schools pupils with English as an additional language achieved broadly in line with overall outcomes, except for Cuckoo Hall level 2A+ where they were slightly below the rest of the cohort. Pupils eligible for Free School Meals across the schools achieved very well at Cuckoo Hall and were broadly in line, whilst those at Woodpecker were broadly in line until 2b+ where there is a slight dip.

Finally, in relation to Year 1 phonic screening following outcomes were achieved:

- ♦ 103 pupils achieved an overall pass of the phonic screening check at Cuckoo (82%)
- ♦ 48 pupils achieved an overall pass of the phonic screening check at Woodpecker (80%);
- ♦ 53 pupils achieved an overall pass of the phonic screening check at Kingfisher (88%)

Kingfisher will undertake Key Stage 1 tests for the first time in Summer 2015.

Key financial performance indicators

Staffing Ratio

The cost of staffing salaries as a proportion of the total expenditure (excluding capital works) is 80% (2012/13: 75%).

Pupil numbers

Pupil numbers continue to rise in line with the plans across the Cuckoo Hall Academies Trust schools. The on-going Cuckoo Hall Academy expansion means the total number of pupils at this school in the year ended 31 August 2014 was 900 (120 in Nursery, Reception and years 1, 2, 3 and 4 and 90 in years 5; and 6).

Woodpecker Hall Primary Academy was also full with 240 pupils (60 pupils in Reception and Years 1 and 2, plus 60 part-time places in the Nursery).

Kingfisher Hall Primary Academy was full with 150 pupils (60 in Reception and Year 1 and 30 part-time places (and growing) in their Nursery).

STRATEGIC REPORT (continued)

Key financial performance indicators (continued)

Other Key Financial Performance Indicators

The range of key performance indicators that Trustees may like to consider is constantly under review. Trustees consider it essential that they utilise a range of key financial performance indicators that are relevant and applicable to monitoring the performance of the Academy Trust.

Pupil Premium

The Academy Trust acknowledges the responsibility for 'socially disadvantaged' pupils and we are committed to meeting their pastoral, social and academic needs within the academies environment. We are committed to 'Narrowing the Gap' between vulnerable pupils and the pupil premium forms a vital part of that process and CHAT Academies approach the pupil premium through the following principles:

- ◆ ensuring that teaching and learning opportunities meet the needs of all the pupils;
- ◆ ensuring that appropriate provision is made for pupils who belong to vulnerable groups, including ensuring the needs of socially disadvantaged pupils are adequately assessed and addressed;
- ◆ recognising that not all pupils who receive free school meals will be socially disadvantaged or that not all pupils who are socially disadvantaged are registered or qualify for free school meals;
- ◆ allocating the funding to support any pupil or groups of pupils the Academy Trust has legitimately identified as being socially disadvantaged; and
- ◆ allocating the funding following a needs analysis to identify priority class, groups or individuals. Limited funding and resources mean that not all children receiving free school meals will be in receipt of pupil premium interventions at one time.

Provision is made through

- ◆ Enabling pupils' access to education;
- ◆ Enabling pupils' access to the curriculum; and
- ◆ Alternative support and intervention within the Academy environment.

This will take the form of the following provision:

- ◆ Small group matched level English and Mathematics groups thus overcoming gaps in learning;
- ◆ 1:1 and small group tutorials in English and Mathematics thus improving opportunities for effective teaching and accelerating progress;

STRATEGIC REPORT (continued)

Key financial performance indicators (continued)

Pupil Premium (continued)

- ◆ Additional teaching and learning opportunities provided through learning mentor, counsellor, behaviour support manager, trained TAs and external agencies;
- ◆ Reducing class sizes thus improving learning opportunities;
- ◆ Breakfast and Afterschool Care;
- ◆ After school Booster clubs;
- ◆ After School Clubs including Gifted & Talented provision;
- ◆ Personalised provision tailor made to suit individual need;
- ◆ Speech Language and Communication provision;
- ◆ Behaviour, Emotional and Social Skills provision;
- ◆ Targeting of able children on Free Schools Meals to achieve National Curriculum level 3 at the end of KS1 or level 5 at the end of KS2;
- ◆ Educational Welfare Officer committed to improve attendance; and
- ◆ Provision will not be aimed specifically at statement children as funding for need is currently in place.

Pupil Premium of £509,702 was received in financial year 2013/14 (compared to £282,580 in 2012/13) and this is being used to provide additional support from teaching assistants, learning mentor, behaviour support manager, speech and language specialists, English as an Additional Language support and a counsellor to provide 1:1 and small group tuition.

The targeted and strategic use of pupil premium will support us in achieving our vision. All our work through the pupil premium is aimed at accelerating progress and moving children to at least age related expectations or make 2 sub levels of progress each year in English and Mathematics. Evidence from pupils progress meetings shows that there is no overall difference in attainment between FSM and other groups.

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.

STRATEGIC REPORT (continued)

Financial review (continued)

Financial report for the year (continued)

The financial position of the Academy Trust at the year ended 31 August 2014 is shown on page 27.

The Academy's income for the period amounted to £9,912,000 (2013: £11,893,000) virtually all of which are restricted funds. Income consisted primarily of the General Annual Grant (GAG) of £5,756,000 (2013: £4,675,000) and capital grants of £1,863,000 (2013: £5,495,000). Expenditure before defined benefit pension scheme actuarial loss was £8,386,000 (2013: £6,534,000).

The Academy had unrestricted reserves of £215,000 (2013 £177,000) at the end of the period.

The vast majority of the Academy Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust has also received grants for fixed assets from the DfE for the building costs of Kingfisher Hall Primary Academy. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are 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 useful life of the assets concerned as defined in the Academy Trust's accounting policies.

Financial and risk management objectives and policies

The Academy Trust has agreed a risk management strategy, a risk register and a risk management plan. These have been discussed by the Trustees and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed through the Audit Committee on a regular basis.

Principal risks and uncertainties

The Academy Trust's principal risks and uncertainties are surrounding the future financing of education and the implications for the Academy Trust. In the current economic climate, we are unable to predict with any certainty the financing of schools, especially with the current proposals to move to a National Funding Formula. Nevertheless with the Academies' cost base, future growth in pupil numbers and additional funding as an Academy Trust we believe we are well placed to meet the financial uncertainties we will face in the future. This is our third year as a multi-Academy Trust and we have made significant progress in setting up a structure to operate as a multi-Academy Trust. The Trustees seek to ensure that there are appropriate structures to meet the needs of the organisation as a multi-Academy Trust and to ensure there is sufficient capacity to meet the needs of the Academy Trust for the opening of the secondary Academy, Heron Hall Academy.

STRATEGIC REPORT (continued)

Financial review (continued)

Principal risks and uncertainties (continued)

The Trustees have considered strategic risks and uncertainties rather than the detailed operational list. These strategic risks, in addition to the risks identified above, focused on the following areas:

- ◆ Delay in the refurbishment of the Ponders End site as the new location of Heron Hall means that the move off the Cuckoo Hall campus is not achieved in September 2015;
- ◆ Cost pressures on revenue budgets for all schools make setting a balanced budget for 2015-16 a real challenge;
- ◆ Change in National Government impacts upon the status and standing of Academies and Multi-Academy Trust chains;
- ◆ Drop in KS2 results in Cuckoo Hall in Summer 2013 were not a one-off occurrence;
- ◆ Presence of other organisations with similar objectives and little scope for differentiation means pupil number targets not met, impacting upon financial viability;
- ◆ Recognising that the CHAT philosophy and cultural change journey is not shared by all staff;
- ◆ Skills of governors and Trustees not aligned to the needs of the organisation – to meet Ofsted requirements around Leadership;
- ◆ Health and Safety risk, through staff, pupil or third party fatality/injury;
- ◆ Employment law risks through not complying with legislative requirements;
- ◆ Cash flow and budgeting problems;
- ◆ Value for money not being achieved;
- ◆ Financial controls inadequate;
- ◆ Natural disaster;
- ◆ Complexity of multi-academy operations impacts upon management ability to simultaneously grow new Primary Academies, run Heron Hall and deliver the opening of the Ponders End site; and
- ◆ ICT failure.

Trustees identify the likelihood of each risk happening, its impacts, the response to the risk (transfer, tolerate, treat or terminate) and the control procedures in place to meet the risk.

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy

The Trustees review the reserve levels of the Academy Trust 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 expect to see the revenue budget for the coming financial year to be balanced within that year's income and not to utilise any of the previous year's underspend in order to balance the budget. Reserves, from any previous year's underspend, should therefore be utilised to cope with any large unusual level of capital expenditure for urgent health and safety matters. The Trustees have concurred this should be set at £100,000 across the three primary Academies. This level should be revised when the premises for Heron Hall Academy are opened in September 2015. The Academy Trust's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £215,000 (2013: £177,000).

Investment policy

The Academy Trust currently holds no investments. Current accounts held with National Westminster bank hold a maximum of £1,000 and any surplus funds are swept at the end of the banking day to a Business Interest Reserve Account which pays a higher rate of interest. Any identified funds that will not be required for a fixed period of time of at least a year will then be invested in a higher interest bearing account.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to improve the levels of performance of all its pupils at all levels. Detailed plans for the development of Cuckoo Hall, Woodpecker Hall and Kingfisher Hall Primary Academies are contained within their respective School Improvement Plans.

Major developments planned for future periods are:

- ♦ Preparing for Ofsted visits;
- ♦ Bidding for further provision where local identified need is identified;
- ♦ Establishment of Heron Hall Academy, a new eight form of entry Secondary free school. This was successfully opened in September 2013 in temporary accommodation and is expected to move to its permanent base at Ponders End in September 2015 earliest.

The key objectives for Cuckoo Hall Academy are to maintain the existing high standards of performance and are:

Attainment & Progress

- ♦ To ensure that overall standards by end of Key Stage 1 and 2 for 2015 are in line with previous years outstanding performance;

PLANS FOR FUTURE PERIODS (continued)

Attainment & Progress (continued)

- ◆ Continue to improve in the percentage of pupils achieving Level 6+ in Writing and Mathematics at end of KS2;
- ◆ By end of Year 1 80%+ will achieve the expected level of 1B in Reading (Phonics Screening Test).

Leadership & Management

- ◆ Ensure continuity of high quality educational provision at Cuckoo Hall Academy during the opening of further free schools ;
- ◆ Strengthen the effectiveness of the SMT leadership function as the CHAT organisation develops;
- ◆ Implement an effective whole school self-evaluation reporting system in line with the most recent Ofsted Framework;
- ◆ Implement the new Standards for Teachers as part of an updated Appraisal and Capability Policy;
- ◆ Ensure that the School Direct funded newly introduced Graduate Teacher Training programme is successfully implemented; and
- ◆ Provide planned leadership training and support for all year group leaders to ensure effective middle leadership across the whole school and to develop future leaders for the benefit of the whole organisation.

Quality of Teaching

- ◆ Ensure that all class teachers are able to deliver good lessons, with the aim being that the majority of lessons will become good or outstanding by the end of this academic year; and
- ◆ Ensure that Newly Qualified Teachers (NQT's) are thoroughly trained and supported so that their teaching is at least "good" by the end of the academic year.

Curriculum

- ◆ Establish an implementation plan to introduce core knowledge across the Curriculum for all subjects; and
- ◆ Ensure that all subject leaders are effective in the implementation and monitoring of their subject.

PLANS FOR FUTURE PERIODS (continued)

Spiritual, Moral, Social, and Cultural Development

- ◆ Ensure that there is focussed monitoring by SLT of all children's engagement in lessons; and
- ◆ Ensure that there are positive relationships throughout the school.

Parents and Community

- ◆ Ensure an annual planned programme of events to promote parents' involvement and knowledge of the school; and
- ◆ Improve and strengthen the ways in which the school can evaluate parents' views on a regular basis.

As new schools, Woodpecker Hall and Kingfisher Primary Academies have set five year development plans to ensure they reach the standards and levels of performance of Cuckoo Hall Academy:

- ◆ achieve significantly higher attainment levels for children at the Early Years Foundation Stage (EYFS), Key Stage 1 and Key Stage 2 than would be expected based on prior attainment;
- ◆ ensure that pupils, or the vast majority of them, leave WHPA well equipped to succeed in secondary education and beyond;
- ◆ provide a wide range of extra-curricular activities that, together with the whole educational experience provided by the Academy, develop pupils' attitudes of self-reliance, personal responsibility, self-discipline and leadership;
- ◆ provide an inclusive approach to learning, recognising the right of every child and young person (irrespective of age, gender, ethnicity or disability) to be included as a valued, respected and equal member of the learning community;
- ◆ enable pupils to participate in shaping the development of the Academy's broad approach to learning, particularly to their own learning;
- ◆ engage with parents and the wider community in the best interests of the pupils and staff at the school; and
- ◆ achieve outstanding grades in Ofsted inspections of overall effectiveness in all categories.

Heron Hall Primary Academy has also developed a five year development plan which will be reported on in due course. The emphasis of this plan is again to achieve high standards of performance for its pupils.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as custodian trustee on behalf of others.

Trustees' report 31 August 2014

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.

Approved by order of the members of the board of trustees on 15 December 2014 and signed on its behalf by:



A Efythmiou
Chair of Trustees

Date: 15/12/14

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Cuckoo Hall Academies 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 have delegated the day-to-day responsibility to the Executive Headteacher, 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 the Academy Trust and the Secretary of State for Education. The Executive Headteacher is 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mrs S Ahmet	4	5
Mr M Charalambous	2	5
Ms A Edmonds	3	3
Mrs M Elcock	5	5
Mrs A Efthymiou	4	5
Mr D Gold	1	5
Dr D Graham	2	5
Mrs C Kyriacou	1	5
Mrs B Jordan	5	5
Dr M Laban	4	5
Mrs B Lappage	3	5
Prof A O'Hear	4	5
Mr P Sowter	5	5
Mrs P Sowter	5	5
Mrs A Zinkin	4	5

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to assist the board in ensuring sound management of the Trust's finances and resources, including proper planning and monitoring and ensuring that there is probity. The committee recommended approval of the budgets for 2013-14 for CHAT and its academies and recommended the budget for 2014-15.

Governance statement 31 August 2014

Governance (continued)

Review of governance

"A review of governance documentation was undertaken in 2013-14 to facilitate smoother Ofsted inspections. This enables Inspectors to quickly understand the governance structure of CHAT as a Multi Academy Trust. There is further work to do on how new Board Members are selected to join and the associated need for a skills audit to identify any gaps in expertise across the Board and Committee structure.

Attendance at Finance and Premises meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mrs A Efthymiou	3	3
Dr D Graham	1	3
Mrs B Jordan	3	3
Mr P Sowter	1	1
Mrs P Sowter	0	2
Mrs A Zinkin	2	3

The Audit Committee operated through the 2013-14 academic year, as a sub-committee of the main board of trustees. Its purpose is to consider matters relating to internal controls, risk management and auditors reports (internal and external). Attendance at the Audit Committee was as follows:

Director	Meetings attended	Out of a possible
Mr P Sowter	3	3
Mr D Gold	2	3
Mr M Charalambous	3	3

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy Trust 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 board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

The Academy 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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties;
- ◆ identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed an external firm to undertake a range of checks on the Academy Trust's financial systems. During the year an external organisation visited the Academy Trust on a termly basis to carry out these checks and reported their findings to the Academy Trust. These reports were presented to and reviewed by the Audit Committee. The reports look at the operation of the systems of control and the discharge of the board of trustees financial responsibilities. The Audit Committee considered these internal audit reports and agreed that no significant issues arose in the year.

Review of effectiveness

As Accounting Officer, the Executive Headteacher 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 external firm reviewing the financial systems;
- ◆ the work of the external auditor;

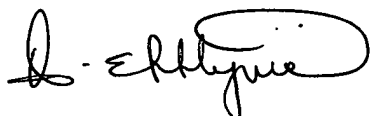
Review of effectiveness (continued)

- ♦ the financial management and governance self-assessment process;
- ♦ the work of the Senior Management Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the finance committee of the implications of his/her review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

At the end of November 2014, a number of senior staff were suspended pending investigations into allegations of gross misconduct. At the time of completing the financial statements, these investigations were ongoing. The Board are co-operating with a sector led EFA investigation and have separately commissioned their own investigation.

Approved by order of the board of trustees and signed on their behalf by:



A Efythmiou
(Chair of Trustees)



M Laban
(Accounting Officer)

Approved on: 15 December 2014

Statement on regularity, propriety and compliance 31 August 2014

As accounting officer of Cuckoo Hall Academies Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

M.W. Laban

M Laban

Accounting Officer

Date: 15 December 2014

Statement of trustees' responsibilities 31 August 2014

The trustees (who act as governors of the Academy Trust and are also the directors of the Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy Trust 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:

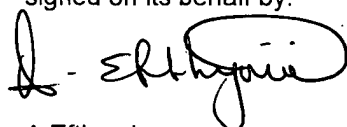
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting 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 Academy will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy Trust 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 Academy Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy'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 15 December 2014 and signed on its behalf by:



A Efthymiou
Chair of Trustees

Independent auditor's report 31 August 2014

Independent auditor's report on the financial statements to the Members of Cuckoo Hall Academies Trust

We have audited the financial statements of Cuckoo Hall Academies Trust for the year ended 31 August 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the 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

The trustees act as trustees for the charitable activities of Cuckoo Hall Academies Trust and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of trustees' responsibilities set out in the trustees' report, the trustees 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report, including the strategic 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.

Independent auditor's report 31 August 2014

Opinion

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;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

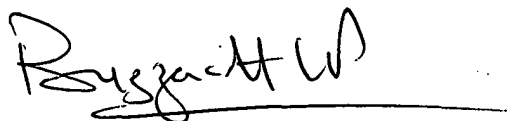
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report, including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- ◆ adequate accounting records have not been kept or 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.



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

18 December 2014

Independent reporting accountant's report on regularity 31 August 2014

Independent reporting auditor's assurance report on regularity to Cuckoo Hall Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 20 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cuckoo Hall Academies Trust during the period from 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cuckoo Hall Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cuckoo Hall Academies Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cuckoo Hall Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cuckoo Hall Academies Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Cuckoo Hall Academies Trust's funding agreement with the Secretary of State for Education dated 19 July 2011 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Independent reporting accountant's report on regularity 31 August 2014

Approach (continued)

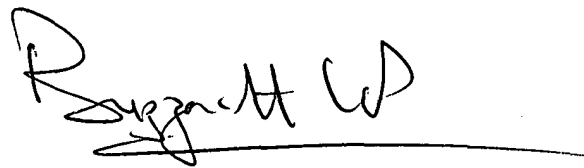
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

Apart from the matter voted on in the Governance statement on page 20, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

18 December 2014

Statement of financial activities (including income and expenditure account and statement of total recognised gains and losses) Year to 31 August 2014

		Unrestricted general fund £'000	Restricted funds General £'000	Fixed assets fund £'000	2014 Total funds £'000	2013 Total funds £'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income		1	—	—	1	4
Activities for generating funds	1	356	10	—	366	272
Investment income	2	6	10	—	16	5
Incoming resources from charitable activities						
Funding for the academies' educational operations	3	—	7,666	1,863	9,529	11,612
Total incoming resources		363	7,686	1,863	9,912	11,893
Resources expended						
Charitable activities						
Academies' educational operations	5	325	7,516	498	8,339	6,484
Governance costs	6	—	47	—	47	50
Total resources expended	4	325	7,563	498	8,386	6,534
Net income for the year before transfers		38	123	1,365	1,526	5,359
Transfers between funds		—	(129)	129	—	—
Net income for the year		38	(6)	1,494	1,526	5,359
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension scheme	22	—	(90)	—	(90)	70
Net movement in funds		38	(96)	1,494	1,436	5,429
Reconciliation of funds						
Total fund balances brought forward at 1 September 2013		177	(494)	13,868	13,551	8,122
Total fund balances carried forward at 31 August 2014		215	(590)	15,362	14,987	13,551

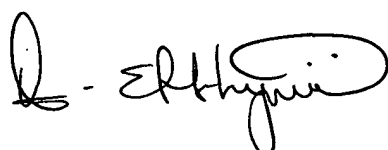
All of the Academy Trust's activities derived from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Balance sheet 31 August 2014

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Tangible fixed assets	11		15,362		13,868
Current assets					
Debtors	12	514		1,083	
Cash at bank and in hand		378		715	
		892		1,798	
Liabilities					
Creditors: amounts falling due within one year	13	(557)		(1,575)	
Net current assets			335		223
Total assets less current liabilities			15,697		14,091
Net assets excluding pension scheme liability			15,697		14,091
Pension scheme liability	22	(710)		(540)	
Net assets including pension scheme liability			14,987		13,551
Funds of the Academy					
Restricted income funds					
Fixed assets fund	14	15,362		13,868	
General fund	14	120		46	
Pension reserve		(710)		(540)	
			14,772		13,374
Unrestricted funds					
General fund			215		177
Total funds			14,987		13,551

The financial statements on page 27 to 51 were approved by the trustees, and authorised for issue on 15 December 2014 and are signed on their behalf by:



A Efthymiou
Chair

Cuckoo Hall Academies Trust
Company Limited by Guarantee
Registration Number: 0735559 (England and Wales)

Cash flow statement Year to 31 August 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	19	(186)	226
Returns on investment and servicing of finance	20	6	5
Capital expenditure	21	(157)	(203)
(Decrease) increase in cash in the year		(337)	28
Reconciliation of net cash flow to movement in net funds:			
Net funds at 1 September 2013		715	687
Net funds at 31 August 2014		378	715

Principal accounting policies 31 August 2014

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 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

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

♦ **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

♦ **Donations**

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

♦ **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.

Incoming resources (continued)

♦ ***Donated services and gifts in kind***

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

Resources expended

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

♦ ***Costs of generating funds***

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

♦ ***Charitable activities***

These are costs incurred on the academy trust's educational operations.

♦ ***Governance costs***

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Principal accounting policies 31 August 2014

Tangible fixed assets (continued)

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

- ♦ Freehold and leasehold buildings 50 years.
- ♦ Fixtures, fittings and equipment 5 years
- ♦ Motor vehicles 5 years

Depreciation is charged from the month of acquisition.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Leased assets

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

Pensions benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, London Borough of Enfield.

Notes to the Financial Statements Year to 31 August 2014

1 Activities for Generating Funds

	Unrestricted funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Other educational activities				
School trip income	27	—	27	30
Pupil meal income	218	—	218	144
Club income	38	—	38	32
Uniform income	22	—	22	28
Staff meals	15	—	15	15
National College grants	—	—	—	12
Other income	36	10	46	11
	356	10	366	272

2 Investment Income

	Unrestricted funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Interest receivable	6	—	6	5
FRS 17 interest adjustment	—	10	10	—
	6	10	16	5

3 Funding for academies' educational operations

	Cuckoo Hall Academy £	Kingfisher Hall Academy £	Woodpecker Hall Academy £	Heron Hall Academy £	Central Trust £	Total 2014 £
DfE / EFA capital grant						
Devolved Formula Capital allocations	12	10	6	—	—	28
Academy Capital Grants	160	1,423	28	224	—	1,835
	172	1,433	34	224	—	1,863
DfE / EFA revenue grants						
General Annual Grant	3,523	677	956	600	—	5,756
Start up grant	—	111	73	161	—	345
Other DfE/EFA grants	594	57	72	64	—	787
	4,117	845	1,101	825	—	6,888
Other Government grants						
Early years funding	332	83	134	—	—	549
SEN from LA	4	—	—	—	—	4
Special Projects	130	—	—	—	—	130
Other government grants	89	1	5	—	—	95
	555	84	139	—	—	778
Other grants						
	—	—	—	—	—	—
	4,844	2,362	1,274	1,049	—	9,529

Notes to the Financial Statements Year to 31 August 2014

4 Resources expended

	Staff costs £'000	Non pay expenditure		2014 Total funds £'000	2013 Total funds £'000
		Premises £'000	Other costs £'000		
Charitable activities					
. Academy's educational operations					
.. Direct costs	4,852	360	430	5,642	4,428
.. Allocated support costs	1,396	421	880	2,697	2,056
	<u>6,248</u>	<u>781</u>	<u>1,310</u>	<u>8,339</u>	<u>6,484</u>
Governance costs	—	—	47	47	50
	<u>6,248</u>	<u>781</u>	<u>1,357</u>	<u>8,386</u>	<u>6,534</u>
Incoming resources for the year include:				2014 £	2013 £
Fees payable to auditor					
. Statutory audit					
.. Current year				10	10
.. Prior year				—	10
. Other services					
.. Current year				10	9
.. Prior year				—	12

Notes to the Financial Statements Year to 31 August 2014

5 Charitable activities – academies' educational operations

	Unrestricted funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Direct costs				
Teaching and educational support staff costs	—	4,852	4,852	3,941
Depreciation	—	360	360	169
Educational supplies	—	161	161	127
Educational visits	28	—	28	31
Staff development	—	123	123	54
Educational consultancy	—	—	—	2
Other direct costs	35	83	118	104
	63	5,579	5,642	4,428
Allocated support costs				
Support staff costs	147	1,249	1,396	986
Depreciation	—	138	138	125
Recruitment and support	—	56	56	38
Maintenance of premises and equipment	—	117	117	246
Cleaning	—	33	33	15
Rent and rates	—	61	61	33
Insurance	—	72	72	56
Security and transport	—	32	32	34
Catering	114	62	176	125
Hospitality	—	12	12	9
Bank interest and charges	—	5	5	3
Other support costs	1	598	599	386
	262	2,435	2,697	2,056
	325	8,014	8,339	6,484

6 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Legal and professional fees	—	27	27	9
Auditor's remuneration:				
.. Audit of financial statements				
.. Current year	—	10	10	10
.. Prior year	—	—	—	10
.. Other services provided by auditor				
.. Current year	—	10	10	9
.. Prior year	—	—	—	12
	—	47	47	50

Notes to the Financial Statements Year to 31 August 2014

7 Staff

(a) Staff costs

Staff costs during the year were:

	2014 Total funds £'000	2013 Total funds £'000
Wages and salaries	4,981	3,922
Social security costs	358	255
Pension costs (including FRS 17 adjustment of £90,000) – (2013 - £60,000)	704	513
	6,043	4,690
Supply teacher costs	205	152
Severance payments	—	85
	6,248	4,927

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the year expressed as a full time equivalents was as follows:

Charitable activities	2014 No	2013 No
Teachers	71	50
Administration and support	112	87
Management	6	7
	189	144

(c) Higher paid staff

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

	2014 No	2013 No
£60,001 - £70,000	1	2
£70,001 - £80,000	2	—
£80,001 - £90,000	1	1
£130,001 - £140,000	1	1

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 pension contributions for these staff amounted to £60,889 (2013 - £37,478). The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £15,336 (2013 - £11,178).

Notes to the Financial Statements Year to 31 August 2014

8 Trustees' remuneration and expenses

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of trustees' remuneration was as follows:

	2014 £'000	2013 £'000
Mrs P Sowter, Executive Head Teacher and Trustee	130 - 135	130 - 135
Mrs S Ahmet, Staff Trustee	80 - 85	60 - 65
Mrs M Elcock, Staff Trustee	70 - 75	50 - 55
Mr M Laban, Staff Trustee	75 - 80	70 - 75
Mrs B Jordan, Staff Trustee	25 - 30	25 - 30

During the year ended 31 August 2014, there were no expenses reimbursed to trustees in their role as trustees (2013 - £nil).

Other related party transactions involving the trustees are set out in note 24.

9 Central services

The academy trust has provided the following central services to its academies during the year:

- ◆ human resources;
- ◆ financial services;
- ◆ legal services;
- ◆ company secretarial;
- ◆ educational support services; and
- ◆ operational support.

The trust charges for these services on the basis of a combination of head count and pupil numbers.

The actual amounts charged during the year were as follows:

	2014 £'000
Cuckoo Hall Academy	626
Heron Hall Academy	120
Kingfisher Primary Academy	125
Woodpecker Hall Academy	291
	<u>1,162</u>

10 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,435 (2013 - £661).

11 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Assets under construction £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost/valuation						
At 1 September 2013	9,619	15	3,861	770	24	14,289
Additions	1,566	—	210	216	—	1,992
Transfers	—	3,510	(3,510)	—	—	—
At 31 August 2014	11,185	3,525	561	986	24	16,281
Depreciation						
At 1 September 2013	291	—	—	125	5	421
Charge in year	—	294	—	199	5	498
At 31 August 2014	291	294	—	324	10	919
Net book value						
At 31 August 2014	10,894	3,231	561	662	14	15,362
At 31 August 2013	9,328	15	3,861	645	19	13,868

For the purposes of these financial statements, the freehold land is deemed to have no commercial value.

The land on which Woodpecker Hall Academy is sited is currently leased from the London Borough of Enfield at a peppercorn rent over a term of 125 years. The value of the leasehold land has not been included in these financial statements because the site is designated for educational purposes only and has no open market value.

12 Debtors

	2014 £'000	2013 £'000
Trade debtors	53	5
Other debtors	129	1,078
Prepayment and accrued income	332	—
	514	1,083

Notes to the Financial Statements Year to 31 August 2014

13 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	46	1,090
Other taxation and social security	112	95
Other creditors	154	215
Accruals and deferred income	245	175
	557	1,575
Deferred income		
Deferred Income at 1 September 2013	48	—
Resources deferred in the year	79	48
Amounts released from previous years	(48)	—
Deferred Income at 31 August 2014	79	48

Deferred income of £79,000 relates to income received in the year for free school meals for the year ended 31 August 2015.

Notes to the Financial Statements Year to 31 August 2014

14 Funds

	Balance at 1 September 2013 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2014 £'000
EFA revenue grant fund					
. General Annual Grant (GAG)	29	5,756	(5,539)	(129)	117
. Start Up Grant	—	345	(345)	—	—
. Other DfE/EFA grants	14	787	(801)	—	—
	<u>43</u>	<u>6,888</u>	<u>(6,685)</u>	<u>(129)</u>	<u>117</u>
. Pension reserve	(540)	10	(90)	(90)	(710)
	<u>(497)</u>	<u>6,898</u>	<u>(6,775)</u>	<u>(219)</u>	<u>(593)</u>
Other					
. Local Authority grants	—	778	(778)	—	—
. Other	3	10	(10)	—	3
	<u>3</u>	<u>788</u>	<u>(788)</u>	<u>—</u>	<u>3</u>
Restricted fixed assets fund					
. DfE/EFA capital grants	9,292	1,863	(312)	—	10,843
. Donated fixed assets on conversion	4,293	—	(120)	—	4,173
. Capital expenditure from GAG	163	—	(42)	129	250
. Capital expenditure from unrestricted funds	120	—	(24)	—	96
	<u>13,868</u>	<u>1,863</u>	<u>(498)</u>	<u>129</u>	<u>15,362</u>
Total restricted funds	<u>13,374</u>	<u>9,549</u>	<u>(8,061)</u>	<u>(90)</u>	<u>14,772</u>
Unrestricted funds					
. Unrestricted funds	177	363	(325)	—	215
Total unrestricted funds	<u>177</u>	<u>363</u>	<u>(325)</u>	<u>—</u>	<u>215</u>
Total funds	<u>13,551</u>	<u>9,912</u>	<u>(8,386)</u>	<u>(90)</u>	<u>14,987</u>

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

14 Funds (continued)

General Annual Grant (GAG)

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy. The academy is allowed to carry forward up to 12% of the current GAG, and of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the academy, but any balance over 2% must be used for capital purposes. The deficit carried forward will be funded from other funds receivable by the Trust. GAG was received for Cuckoo Hall, Woodpecker Hall, Heron Hall and Kingfisher Primary Academies in 2013/14.

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

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. Future GAG funding from the EFA is expected to be sufficient to fund the deficit.

The other restricted grants represent incoming resources for the following specific purposes:

DfE – Kingfisher Hall Primary Academy Project.

The DfE has pledged grants for Kingfisher Hall Primary Academy to cover the costs of project management and educational services and lead-in costs to cover the set-up and preparation of the opening of Kingfisher Hall Primary Academy.

Other DfE/EFA Grants

Pupil Premium of £509,702 was received in financial year 2013/14 (compared to £282,580 in 2012/13) and this is being used to provide additional support from teaching assistants, learning mentor, behaviour support manager, speech and language specialists, English as an Additional Language support and a counsellor to provide 1:1 and small group tuition.

Notes to the Financial Statements Year to 31 August 2014

14 Funds (continued)

Local Authority Grants

This comprises two elements:

£549,000 was received during the year for the 15 hours per week early years provision.

The Inherited Fixed Assets Fund was set up to recognise the tangible assets gifted to the academy upon conversion by the local authority, which represent the school site inherited from the local authority including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The Capital Expenditure from GAG and the Capital Expenditure from Unrestricted Surplus Funds have been set up to recognise the tangible assets purchased using GAG funding or the unrestricted surplus respectively. Depreciation charged on these purchased assets is allocated to the funds.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	£'000
Cuckoo Hall Academy	199
Woodpecker Hall Academy	133
Kingfisher Hall Academy	—
Heron Hall Academy	—
Central Trust	—
Total before fixed assets and pension reserve	332
Restricted fixed asset fund	15,362
Pension reserve	(710)
Other	3
Total	14,987

Notes to the Financial Statements Year to 31 August 2014

14 Funds (continued)

Analysis of Academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £'000	Other Support Staff costs £'000	Educational Supplies £'000	Other Costs (excluding depreciation) £'000	Total £'000
Cuckoo Hall Academy	2,758	441	70	878	4,147
Woodpecker Hall Academy	687	72	29	131	919
Kingfisher Hall Academy	523	145	35	156	859
Heron Hall Academy	553	47	25	94	719
Central Trust	331	691	2	173	1,197
	<u>4,852</u>	<u>1,396</u>	<u>161</u>	<u>1,432</u>	<u>7,841</u>

15 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2014 £'000
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	—	—	15,362	15,362
Current assets	215	677	—	892
Current liabilities	—	(557)	—	(557)
Pension scheme liability	—	(710)	—	(710)
Total net assets	<u>215</u>	<u>(590)</u>	<u>15,362</u>	<u>14,987</u>

16 Capital commitments

	2014 £'000	2013 £'000
Contracted for, but not provided in the financial statements	<u>819</u>	<u>588</u>

Notes to the Financial Statements Year to 31 August 2014

17 Reconciliation of net income to net cash inflow from operating activities

	2014 £'000	2013 £'000
Net income	1,608	5,359
Donations in kind	—	—
Depreciation (note 13)	432	294
Capital grants from DfE and other capital income	(1,835)	(5,495)
Interest receivable (note 4)	(6)	(5)
FRS 17 pension cost less contributions payable (note 25)	—	60
FRS 17 pension finance income (note 25)	—	—
Decrease (increase) in debtors	674	70
(Decrease) in creditors	(1,059)	(57)
Net cash (outflow) inflow from operating activities	(186)	226

18 Returns on investment and servicing of finance

	2014 £'000	2013 £'000
Interest received	6	5
Net cash inflow from returns on investment and servicing of finance	6	5

19 Capital expenditure and financial investment

	2014 £'000	2013 £'000
Capital grants from DfE / EFA	1,835	5,495
Purchase of tangible fixed assets	(1,992)	(5,698)
Net cash outflow from capital expenditure and financial investments	(157)	(203)

20 Analysis of changes in net funds

	At 1 September 2013 £'000	Cashflows £'000	At 31 August 2014 £'000
Cash in hand and at bank	715	(337)	378

21 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

22 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

22 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Teachers' Pension Scheme Changes

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

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

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

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

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

22 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Teachers' Pension Scheme Changes (continued)

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £294,000, of which employer's contributions totalled £226,000 and employees' contributions totalled £68,000. The agreed contribution rates for future years are 16.6% for employers and between 5.5% and 7.5% for employees.

Principal Actuarial Assumptions	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.6%	4.6%
Rate of increase for pensions in payment / inflation	2.1%	2.7%
Discount rate for scheme liabilities	3.7%	4.4%
Inflation assumption (CPI)	2.1%	2.7%

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	24.4	24.0
Females	27.6	26.8
<i>Retiring in 20 years</i>		
Males	26.5	25.7
Females	29.9	28.8

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (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 2014	Fair value at 31 August 2014 £'000	Expected return at 31 August 2013	Fair value at 31 August 2013 £'000
Equities	7.5%	879	7.9%	793
Government bonds	2.9%	191	3.4%	247
Corporate bonds	3.3%	153	4.1%	113
Property	6.8%	134	7.4%	110
Cash	1.1%	76	0.9%	80
Other assets	7.5%	477	7.9%	317
Total market value of assets		1,910		1,660
Present value of scheme liabilities		(2,620)		(2,200)
Deficit in the scheme		(710)		(540)

The actual loss on scheme assets was £10,000 (2013 – return on assets of £150,000).

Amounts recognised in statement of financial activities	2014 £'000	2013 £'000
Current service costs (net of employee contributions)	310	270
Total operating charge	310	270

Analysis of pension finance income

Expected return on pension scheme assets	110	80
Interest on pension liabilities	(100)	(80)
Pension finance (costs)	10	—

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a gain of £120,000 (2013 - £210,000).

Movements in the overall deficit were as follows:	2014 £'000	2013 £'000
Deficit at 1 September 2013	(540)	(550)
Current service cost	(310)	(270)
Employer contributions	220	210
Net finance interest	10	—
Actuarial (losses)/gains	(90)	70
Benefits paid	—	—
At 31 August 2014	(710)	(540)

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Movements in the present value of defined benefit obligations were as follows:	2014 £'000	2013 £'000
Deficit at 1 September 2013	(2,200)	(1,820)
Current service cost	(310)	(270)
Employee contributions	(90)	(80)
Net finance interest	(100)	(70)
Actuarial gains	30	—
Benefits paid	50	40
At 31 August 2014	(2,620)	(2,200)

Movements in the fair value of Academy's share of scheme assets:	2014 £'000	2013 £'000
At 1 September 2012	1,660	1,270
Expected return on assets	110	80
Actuarial gain	(120)	70
Employer contributions	220	210
Employee contributions	90	70
Benefits paid	(50)	(40)
At 31 August 2013	1,910	1,660

The estimated value of the employer contributions for the year ended 31 August 2014 is £320,000.

The history of experience adjustments are as follows:

	2014 £'000	2013 £'000	2012 £'000
Present value of defined benefit obligations	(2,620)	(2,200)	(1,820)
Fair value of share scheme assets	1,910	1,660	1,270
Deficit on the scheme	(710)	(540)	(550)
Experience adjustments on share of scheme assets			
Amount	(120)	70	50
Experience adjustments on scheme liabilities			
Amount	(30)	—	270

23 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

M Charalambous, a governor, has a 50% share in Creative Link Limited with his wife holding the other 50% share.

Transactions totalling £1,105 (2013 - £1,420) with this company took place during the year on an arm's length basis. No amounts were due to or from Creative Link Limited as at 31 August 2014 (2013 - £nil).

24 Post balance sheet events

On 1 September 2014, the assets, liabilities and operations of Enfield Heights Academy were transferred from CFBT to the Cuckoo Hall Academies Trust.

At the end of November 2014, a number of senior staff were suspended pending investigations with allegations of gross misconduct. At the time of completing the financial statements, these investigations were ongoing. The Board are co-operating with a sector led EFA investigation and have separately commissioned their own investigation.