

Registered number: 07606026

The Violet Way Academy

Annual Report and Financial Statements

For the Year Ended 31 August 2014



DAINS
ACCOUNTANTS

**The Violet Way Academy
(A company limited by guarantee)**

Contents

	Page
Reference and administrative details of the academy, its trustees and advisers	1
Trustees' report	2 - 7
Governance statement	8 - 10
Statement on regularity, propriety and compliance	11
Trustees' responsibilities statement	12
Independent auditors' report	13 - 14
Independent reporting accountant's assurance report on regularity	15 - 16
Consolidated statement of financial activities	17 - 18
Consolidated balance sheet	19
Academy balance sheet	20
Consolidated cash flow statement	21
Notes to the financial statements	22 - 44

The Violet Way Academy
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Trustees and Advisers
For the Year Ended 31 August 2014

Members	A Goldstraw D Marshall J Harrison
Trustees	A Goldstraw, Chairman ¹ J Smith, Vice Chairman ¹ J Copeman, Responsible Officer D Marshall, Head Teacher ¹ J Harrison ¹ G Willett ¹ L Evans (resigned 2 December 2013) P Diffey I Mahmood A Arkinstall (appointed 1 September 2013)
	¹ Members of the Finance and General Purpose Committee
Company secretary	J Harrison
Senior Management Team	Head Teacher - D Marshall Deputy Head Teacher - K Owen Business Manager - J Harrison
Principal and registered office	Violet Way Stapenhill Burton On Trent Staffordshire DE15 9ES
Company registered number	07606026
Independent auditors	Dains LLP Charlotte House Stanier Way The Wyvern Business Park Derby DE21 6BF
Bankers	Co-operative Bank P O Box 101 Balloon Street Manchester M60 4EP
Solicitors	Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES

The Violet Way Academy
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2014

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

Structure, governance and management

Constitution

The Violet Way Academy Trust is a company limited by guarantee with no share capital and exempt charity within the meaning of Schedule 2 of the Charities Act 1993. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of Violet Way Academy Trust Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Violet Way Academy Trust Ltd.

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

Members' liability

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

Governors' liability

The governors are directors of the charitable company for the purposes of the Companies Act 1985 and trustees for the purposes of charity legislation.

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company at the end of the financial year; and its incoming resources and application of resources including income and expenditure, for the financial period in preparing financial statements giving a true and fair view, the governors are required to:

1. select suitable accounting policies and then apply them consistently
2. make judgements and estimates that are reasonable and prudent
3. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
4. prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from other jurisdictions.

The governors confirm that so far as they are aware, there is no relevant audit information of which the

charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Principal activities

The Academy Trust's object is specifically restricted to advance for public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of recruitment and appointment or election of Trustees

The method for appointing trustees is described in the Articles of Association point 50-65.

Recruitment of Parent Governors

When a vacancy occurs for a parent governor a letter is sent out to all parents asking for nominations. Should there be more interest in the vacancy than the number available then a ballot will be held. The interested party will be asked to write a short piece and ballots papers will be circulated to all parents. These ballot papers will be returned to school in a sealed envelope. Two members from the governing body will then count the votes and the candidate with the highest number of votes will join the governing body.

Recruitment of Other Governors

Individuals with a particular expertise may be invited to join the governing body, for example Health and Safety or Finance. Individuals also contact the school and offer their services as a trustee. In some cases trustees who have been parent trustees, may wish to continue in another capacity, particularly if they have expertise and knowledge in certain areas.

Policies and procedures adopted for the induction and training of Trustees

New Governors

New governors will receive a welcome pack that contains information about the academy. This includes the structure and organisation of the academy, academy improvement plan, latest Ofsted report and minutes of any relevant meetings. The new governor will also be invited to have a tour of the school followed by a meeting with the Principal and Business Manager. In the case of a new finance governor, a discussion with the Business Manager will include details of the latest budget and budget forecast.

New governors will also be offered training. The Professional Development Coordinator (PDC) holds details of courses available. The Business Manager will also provide training pertaining to the finance system if required.

Existing Governors

New training is brought to the attention of all governors at full governors meetings and they are free to book these with the PDC. On occasions the Principal will invite governors to in-house training when applicable.

A training budget is provided for governors.

Organisational structure

The Principal is responsible for the day-to-day management of the school and is the accounting officer. The Senior Leadership Team take responsibility for development of the School Improvement Plan which ultimately drives the school budget.

The Principal has delegated the management of and administration of the budget to the School Business Manager. The Principal remains the key accounting officer.

The governing body are responsible for final decisions on budget administration and allocation.

Risk management

The governors have assessed the major risks to which the academy is exposed, with guidance from the Academies Financial Handbook. A risk register has been produced and will be reviewed annually by the governing body. This register includes sections specifically for:

1. Financial Risk
2. Compliance Risk
3. Operational Risk
4. Strategic Risk

Connected organisations, including related party relationships

For the period 1st September 2013 – August 2014 there were the following connected organisations:

Violet Way Nursery and Care Club Limited

Objectives and Activities

Objects and aims

The Academy Trust's object is specifically restricted to the following:

- To advance for public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

- Total commitment to enabling every learner to reach their full potential.
- Inspirational and challenging experiences for every child in a personalized context.
- Opportunities for children to develop their individual strengths and interests.
- Fostering positive attitudes, independence and enthusiasm for learning.
- An emphasis on consideration for others, politeness and tolerance.
- Recognition of the value of partnerships between home and the community.
- Provision of a stimulating, caring, safe and efficiently run environment in which to work and play.

Public Benefit

The 2 principles of Public Benefit as described by the Charity Commission are explained below:

- Principle 1: There must be an identifiable benefit or benefits.
The objectives, strategies and activities are described above.
- Principle 2: Benefit must be to the public, or section of the public.

The beneficiaries will be the pupils on roll at the academy who have been admitted in accordance with the admission criteria.

Achievements and Performance

	2012 2b+ targets	2012 Level 3 targets	2012 2b + results	2012 Level 3 results	2013 2b + results	2013 Level 3 results	2014 2b+ results	2014 Level 3 results	2015 2b+ targets	2015 Level 3 targets	2016 2b+ targets	2016 Level 3 targets
Speaking and Listening	100%	40%	99%	37%	99%	34%	98%	37%	99%	43%	100%	49%
Reading	85%	33%	85%	43%	90%	53%	93%	54%	89%	56%	94%	49%
Writing	83%	33%	83%	29%	89%	31%	90%	26%	86%	43%	94%	40%
Mathematics	96%	40%	98%	42%	96%	48%	97%	48%	95%	55%	96%	50%
Science	100%	40%	96%	41%	95%	43%	98%	30%	98%	45%	100%	50%

The school rigorously monitors pupil's attainment using a variety of assessment processes. OfSTED noted during the recent "Outstanding" inspection that ... "The Principal and senior leaders check the progress of each pupil frequently to identify individuals or small groups who are not doing as well as expected". (OfSTED 2012).

Group strategic report

Achievements and performance

Going concern

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

Financial review

Financial and risk management objectives and policies

A full financial statement is included with this report. The statement will confirm that the principal sources of funding were as follows:

Restricted Income	General Annual Grant Pupil Premium
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Unrestricted Income	Income generated by the Academy such as lettings and catering.
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To support the schools aim of "developing a school offering a broad and balanced curriculum" the School Improvement Plan had identified development of the woodland and an art room. Expenditure during 2013-2014 does reflect this.

The Accounting Policy was adopted this year by the governing body.

Investments policy

A policy for investment was agreed with the governing body in December 2013.

Principal risks and uncertainties

The Risk Register is a comprehensive document and highlights many risks to which the academy may be exposed. The main risks would be falling numbers on roll. This would impact significantly on income. The mitigation of this is described in the Risk Register.

**The Violet Way Academy
(A company limited by guarantee)**

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

Plans for future periods

Future developments

It is not intended to change the aims as described in the Articles of Association.

Disclosure of information to auditors

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

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

Auditors

The auditors, Dains LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report, incorporating the Group strategic report, was approved by order of the board of governors, as the company directors, on 12 December 2014 and signed on the board's behalf by:



A Goldstraw
Chair of Trustees

The Violet Way Academy
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to Dr Marshall, 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 Violet Way Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal controls.

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of Governors responsibilities. The board of governors has formally met 3 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Trustee	Meetings attended	Out of a possible
A Goldstraw, Chairman	3	3
J Smith, Vice Chairman	2	3
J Copeman, Responsible Officer	3	3
D Marshall, Head Teacher	3	3
J Harrison	3	3
G Willetts	3	3
I Mahmood	3	3
A Arkinstall (appointed 1 September 2013)	2	2

During the academic year 2013/2014 there was one new governor, the remainder have been with the school some time giving stability and experience to the management of the academy.

The Finance Committee is a sub-committee of the main board of governors. Its purpose is to monitor the financial activities of the Academy and make decisions relating to finance.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Goldstraw	2	3
G Willetts	3	3
D Marshall	3	3
J Harrison	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 academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Violet Way Academy for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

The academy'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 governors;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governor, John Copeman, acts as Responsible Office('RO').

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

Review of Effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 12 December 2014 and signed on its behalf, by:


A Goldstraw
Chair of Trustees


D Marshall
Accounting Officer


The Violet Way Academy
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Violet Way Academy I have considered my responsibility to notify the academy board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy board of governors are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2013).

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 governors and EFA.



D Marshall
Accounting Officer

Date: 12 December 2014

The Violet Way Academy
(A company limited by guarantee)

Trustees' Responsibilities Statement
For the Year Ended 31 August 2014

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

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

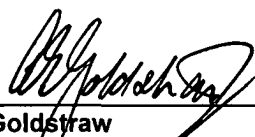
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company and the group 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 EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group'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 governors on 12 December 2014 and signed on its behalf by:



A Goldstraw
Chair of Trustees

The Violet Way Academy
(A company limited by guarantee)

Independent Auditors' Report to the Board of Trustees of The Violet Way Academy

We have audited the financial statements of The Violet Way Academy for the year ended 31 August 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statementthe group Statement of financial activities, the group and academy Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

**The Violet Way Academy
(A company limited by guarantee)**

Independent Auditors' Report to the Board of Trustees of The Violet Way Academy

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Group 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:

- the parent charitable academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable academy 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.



Lisa Richards FCCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby
12 December 2014

**The Violet Way Academy
(A company limited by guarantee)**

Independent Reporting Accountants' Assurance Report on Regularity to The Violet Way Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 11 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Violet Way Academy during the year 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 The Violet Way Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Violet Way Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Violet Way Academy and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Violet Way Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Violet Way Academy's funding agreement with the Secretary of State for Education dated 1 June 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 year 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 EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**The Violet Way Academy
(A company limited by guarantee)**

Independent Reporting Accountants' Assurance Report on Regularity to The Violet Way Academy and the Education Funding Agency (continued)

Conclusion

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



Dains LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby

12 December 2014

The Violet Way Academy
(A company limited by guarantee)

Statement of Financial Activities,
(including income and expenditure account and statement of total recognised gains and losses)
For the Year Ended 31 August 2014

		Unrestricted funds 2014 £	Restricted general funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
	Note					
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	3	-	-	-	-	176,357
Activities for generating funds	5	433,287	114,989	-	548,276	445,219
Investment income	6	804	-	-	804	13
Incoming resources from charitable activities						
Funding for the academy trust's educational operations	7	-	1,050,715	38,724	1,089,439	1,123,014
Total incoming resources		434,091	1,165,704	38,724	1,638,519	1,744,603
Resources expended						
Costs of generating funds:						
Fundraising trading	5	285,243	-	-	285,243	203,045
Charitable activities - Academy's educational operations		1,848	1,178,801	94,497	1,275,146	1,276,734
Governance costs	10	-	7,194	-	7,194	8,950
Total resources expended	8	287,091	1,185,995	94,497	1,567,583	1,488,729
Net incoming / (outgoing) resources before transfers		147,000	(20,291)	(55,773)	70,936	255,874

The Violet Way Academy
(A company limited by guarantee)

Statement of Financial Activities,
(including income and expenditure account and statement of total recognised gains and losses)
(continued)
For the Year Ended 31 August 2014

		Unrestricted funds 2014 £	Restricted general funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between funds	19	-	(23,824)	23,824	-	-
Net incoming resources before revaluations		147,000	(44,115)	(31,949)	70,936	255,874
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(257,000)	-	(257,000)	18,000
Net movement in funds for the year		147,000	(301,115)	(31,949)	(186,064)	273,874
Total funds at 1 September 2013		393,575	(447,434)	2,934,786	2,880,927	2,607,053
Total funds at 31 August 2014	19	540,575	(748,549)	2,902,837	2,694,863	2,880,927

All activities relate to continuing operations.

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

The notes on pages 22 to 44 form part of these financial statements.

The Violet Way Academy
(A company limited by guarantee)
Registered number: 07606026

Consolidated Balance Sheet
As at 31 August 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	15		2,901,997		2,934,786
Current assets					
Debtors	17	44,057		40,495	
Cash at bank and in hand		672,812		458,358	
		<u>716,869</u>		<u>498,853</u>	
Creditors: amounts falling due within one year	18	<u>(157,003)</u>		<u>(58,712)</u>	
Net current assets			<u>559,866</u>		<u>440,141</u>
Total assets less current liabilities			<u>3,461,863</u>		<u>3,374,927</u>
Defined benefit pension scheme liability	25	(767,000)		(494,000)	
Net assets including pension scheme liability			<u><u>2,694,863</u></u>		<u><u>2,880,927</u></u>
Funds of the academy					
Restricted general funds:					
Restricted general funds	19	18,451		46,566	
Pension reserve	19	(767,000)		(494,000)	
Restricted fixed asset funds	19	<u>2,902,837</u>		<u>2,934,786</u>	
Total restricted general funds			<u>2,154,288</u>		<u>2,487,352</u>
Unrestricted funds	19		<u>540,575</u>		<u>393,575</u>
Total funds			<u><u>2,694,863</u></u>		<u><u>2,880,927</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2014 and are signed on their behalf, by:


A Goldstraw
Chair of Trustees

The notes on pages 22 to 44 form part of these financial statements.

The Violet Way Academy
(A company limited by guarantee)
Registered number: 07606026

Academy Balance Sheet
As at 31 August 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	15		2,901,997		2,934,786
Investments	16		1		1
			<u>2,901,998</u>		<u>2,934,787</u>
Current assets					
Debtors	17	350,838		278,255	
Cash at bank and in hand		366,033		220,597	
		<u>716,871</u>		<u>498,852</u>	
Creditors: amounts falling due within one year	18	(157,007)		(58,711)	
Net current assets			<u>559,864</u>		<u>440,141</u>
Total assets less current liabilities			<u>3,461,862</u>		<u>3,374,928</u>
Defined benefit pension scheme liability	25		(767,000)		(494,000)
Net assets including pension scheme liability			<u><u>2,694,862</u></u>		<u><u>2,880,928</u></u>
Funds of the academy					
Restricted general funds:					
Restricted general funds	19	18,451		46,566	
Pension reserve	19	(767,000)		(494,000)	
Restricted fixed asset funds	19	2,902,837		2,934,786	
Total restricted general funds			<u>2,154,288</u>		<u>2,487,352</u>
Unrestricted funds	19		<u>540,574</u>		<u>393,576</u>
Total funds			<u><u>2,694,862</u></u>		<u><u>2,880,928</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2014 and are signed on their behalf, by:


A Goldstraw
 Chair of Trustees

The notes on pages 22 to 44 form part of these financial statements.

The Violet Way Academy
(A company limited by guarantee)

Consolidated Cash Flow Statement
For the Year Ended 31 August 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	21	236,634	387,484
Returns on investments and servicing of finance	22	804	13
Capital expenditure and financial investment	22	(22,984)	(35,693)
Increase in cash in the year		214,454	351,804

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

	2014 £	2013 £
Increase in cash in the year	214,454	351,804
Movement in net funds in the year	214,454	351,804
Net funds at 1 September 2013	458,358	106,554
Net funds at 31 August 2014	672,812	458,358

The notes on pages 22 to 44 form part of these financial statements.

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Basis of consolidation

The financial statements consolidate the accounts of The Violet Way Academy and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 and paragraph 397 of the SORP not to present its own Income and expenditure account.

1.3 Going concern

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

1. Accounting Policies (continued)

1.4 Incoming resources

All incoming resources are included in the statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated services and gifts in kind

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

1. Accounting Policies (continued)

1.5 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £250 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 are carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Freehold property improvements	-	10% straight line
Fixtures, fittings and equipment	-	20% straight line
Computer equipment	-	33% straight line

No depreciation is charged on freehold land.

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.

1. Accounting Policies (continued)

1.7 Investments

The academy's shareholding in wholly owned subsidiary, Violet Way Nursery and Care Club Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.9 Taxation

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

1. Accounting Policies (continued)

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department of Education and the Education Funding Agency.

1.12 Transfers between funds

Transfers between funds relate to fixed asset purchase from GAG and unrestricted funds.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2014.

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

3. Voluntary income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	-	-	-	700
Transfer from Violet Lane Infants School Nursery fund	-	-	-	120,644
Transfer from Violet Lane Infants School Out of School Care Club fund	-	-	-	55,013
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Voluntary income	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,357</u>

4. Commercial trading operations and investment in trading subsidiary

The charity has a wholly owned trading subsidiary (Violet Way Nursery and Care Club Limited) which is incorporated in England and Wales.

A summary of the trading results is shown below.

	2014 £	2013 £
Charity trading income		
Turnover	384,519	297,011
	<u>384,519</u>	<u>297,011</u>
Total income	<u>384,519</u>	<u>297,011</u>
 Fundraising trading expenses		
Administrative expenses	315,498	234,907
Gift to parent	69,021	62,104
	<u>384,519</u>	<u>297,011</u>
Total costs	<u>384,519</u>	<u>297,011</u>
	<u>-</u>	<u>-</u>
Net income from commercial trading operations	<u>-</u>	<u>-</u>

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

5. Activities for generating funds

	Unrestricted funds 2014 £	Restricted general funds 2014 £	Total funds 2014 £	Total funds 2013 £
Catering income	-	114,989	114,989	101,544
Lettings income	28,455	-	28,455	24,423
Other income	20,313	-	20,313	22,241
Nursery and care club income	384,519	-	384,519	297,011
	<u>433,287</u>	<u>114,989</u>	<u>548,276</u>	<u>445,219</u>
Fundraising trading expenses				
Nursery and care club costs	285,243	-	285,243	203,045
	<u>285,243</u>	<u>-</u>	<u>285,243</u>	<u>203,045</u>
Net income from activities for generating funds	<u>148,044</u>	<u>114,989</u>	<u>263,033</u>	<u>242,174</u>

6. Investment income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Interest receivable	804	-	804	13
	<u>804</u>	<u>-</u>	<u>804</u>	<u>13</u>

7. Funding for Academy's educational operations

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant	-	982,843	982,843	1,044,179
Capital grants	-	7,075	7,075	2,979
Pupil premium	-	48,866	48,866	49,184
Rates grant	-	5,061	5,061	4,092
Mainstream grants	-	31,649	31,649	-
Insurance grant	-	5,300	5,300	19,780
Sports grant	-	8,645	8,645	-
WGA grants	-	-	-	2,800
	<u>-</u>	<u>1,089,439</u>	<u>1,089,439</u>	<u>1,123,014</u>

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

8. Resources expended

	Staff costs	Non Pay	Expenditure	Total	Total
	2014	Premises	Other costs	2014	2013
	£	2014	2014	£	£
		£	£		
Costs of generating funds:					
Fundraising expenses	144,864	-	140,379	285,243	203,045
Academy's educational operations:					
Direct costs	652,074	49,138	67,803	769,015	748,374
Support costs	265,901	132,678	107,552	506,131	528,360
Subtotal charitable activities	917,975	181,816	175,355	1,275,146	1,276,734
Governance	-	-	7,194	7,194	8,950
	1,062,839	181,816	322,928	1,567,583	1,488,729

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

9. Charitable activities

	Total funds 2014 £	Total funds 2013 £
Direct costs - educational operations		
Wages and salaries	510,691	521,013
National insurance	52,302	38,204
Pension cost	89,080	70,067
Depreciation	49,138	53,779
FRS17 Pension cost	13,000	16,000
Educational supplies	38,873	34,216
Staff development	10,431	6,945
Educational consultancy	3,104	2,261
Recruitment and support	2,396	5,889
	<u>769,015</u>	<u>748,374</u>
Support costs - educational operations		
Wages and salaries	215,461	207,882
National insurance	9,386	11,389
Pension cost	41,054	42,504
Depreciation	45,359	34,625
School fund costs	1,848	2,078
Maintenance of premises	64,170	68,453
Maintenance of equipment	9,187	17,660
Cleaning	5,744	4,123
Rates	3,616	3,132
Water rates	4,501	3,828
Energy	7,574	22,836
Insurance	5,330	18,964
Technology costs	14,027	14,378
Other occupancy costs	78,874	76,508
	<u>506,131</u>	<u>528,360</u>
	<u><u>1,275,146</u></u>	<u><u>1,276,734</u></u>

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

10. Governance costs

	Unrestricted funds 2014 £	Restricted general funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	-	5,400	5,400	5,400
Auditors' non audit remuneration	-	-	-	1,550
Legal and professional fees	-	1,794	1,794	2,000
	<u>-</u>	<u>7,194</u>	<u>7,194</u>	<u>8,950</u>

11. Net incoming / (outgoing) resources

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	94,497	88,404
Auditors' remuneration	5,400	5,400
Auditors' non audit remuneration	-	1,550
	<u>99,900</u>	<u>95,354</u>

12. Staff

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	871,016	867,427
Social security costs	61,688	49,593
Other pension costs (Note 25)	130,135	112,571
	<u>1,062,839</u>	<u>1,029,591</u>

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

12. Staff (continued)

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teachers	10	9
Administration and support	21	18
	<hr/> 31 <hr/>	<hr/> 27 <hr/>

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £80,001 - £90,000	1	1
	<hr/> 1 <hr/>	<hr/> 1 <hr/>

The employee participated in the Teacher's Pension Scheme and contributions totalled £10,361 (2013 - £10,258) in the period ended 31 August 2014.

13. Trustees' remuneration and expenses

The Head teacher and other staff Trustees only receive remuneration (including pension contributions) in respect of services they provide undertaking the roles of Head teacher 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 Trustees. The value of Trustees' remuneration fell within the following bands:

	2014 £	2013 £
D Marshall (Head teacher)	85,000-90,000	80,000-85,000
L Bridge (Staff trustee)	-	30,000-35,000
J Harrison (Staff trustee)	55,000-60,000	50,000-55,000
I Mahmood (Staff trustee)	40,000-45,000	40,000-45,000

The Head Teacher and other staff Trustees remuneration is also in respect of the services they provide in relation to the management and administration of the nursery, after school club and catering facilities, whose results are included within these financial statements. During the year there was 106 places in the nursery and 80 places for the after school club, which help generate funds for the academy.

During the year, no Trustees received any benefits in kind (2013 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

14. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £582 (2013 - £582). The cost of this insurance is included in the total insurance cost.

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

15. Tangible fixed assets

Group and Academy	Freehold land and property	Freehold property improvements	Fixtures, fittings and equipment	Computer equipment	Assets under construction	Total
£	£	£	£	£	£	£
Cost						
At 1 September 2013	2,938,408	79,509	19,645	72,605	-	3,110,167
Additions	-	13,178	2,844	17,467	28,219	61,708
At 31 August 2014	2,938,408	92,687	22,489	90,072	28,219	3,171,875
Depreciation						
At 1 September 2013	108,902	12,853	6,923	46,703	-	175,381
Charge for the year	58,768	8,552	4,303	22,874	-	94,497
At 31 August 2014	167,670	21,405	11,226	69,577	-	269,878
Net book value						
At 31 August 2014	2,770,738	71,282	11,263	20,495	28,219	2,901,997
At 31 August 2013	2,829,506	66,656	12,722	25,902	-	2,934,786

Included in land and property is freehold land at a valuation of £215,841 which is not depreciated.

16. Fixed asset investments

Academy	Shares in group undertakings
Market value	£
At 1 September 2013 and 31 August 2014	1

Details of principal subsidiaries are detailed on note 30.

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

17. Debtors

	Group		Academy	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	390	306	390	306
Amounts owed by group undertakings	-	-	306,781	237,760
Other debtors	8,285	19,670	8,285	19,670
Prepayments and accrued income	35,382	20,519	35,382	20,519
	44,057	40,495	350,838	278,255

18. Creditors:
Amounts falling due within one year

	Group		Academy	
	2014	2013	2014	2013
	£	£	£	£
Other taxation and social security	13,683	13,770	13,683	13,770
Other creditors	12,951	13,085	12,951	13,085
Accruals and deferred income	130,369	31,857	130,373	31,856
	157,003	58,712	157,007	58,711

	Group	Academy
	£	£
Deferred income		
Deferred income at 1 September 2013	4,171	4,171
Resources deferred during the year	65,232	65,232
Amounts released from previous years	(4,171)	(4,171)
Deferred income at 31 August 2014	65,232	65,232

At the balance sheet date the academy trust was holding grant income received in advance for the autumn term 2014.

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

19. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	122,653	48,568	-	-	-	171,221
School funds	1,299	1,004	(1,848)	-	-	455
Nusery and Care Club funds	269,623	384,519	(285,243)	-	-	368,899
	<u>393,575</u>	<u>434,091</u>	<u>(287,091)</u>	<u>-</u>	<u>-</u>	<u>540,575</u>
Restricted funds						
General Annual Grant (GAG)	46,566	982,843	(987,134)	(23,824)	-	18,451
Pension reserve	(494,000)	-	(16,000)	-	(257,000)	(767,000)
Other DfE/EFA grants	-	67,872	(67,872)	-	-	-
Other restricted income	-	114,989	(114,989)	-	-	-
	<u>(447,434)</u>	<u>1,165,704</u>	<u>(1,185,995)</u>	<u>(23,824)</u>	<u>(257,000)</u>	<u>(748,549)</u>
Restricted fixed asset funds						
DfE/EFA capital grants	2,934,786	38,724	(94,497)	23,824	-	2,902,837
Total restricted funds	<u>2,487,352</u>	<u>1,204,428</u>	<u>(1,280,492)</u>	<u>-</u>	<u>(257,000)</u>	<u>2,154,288</u>
Total of funds	<u>2,880,927</u>	<u>1,638,519</u>	<u>(1,567,583)</u>	<u>-</u>	<u>(257,000)</u>	<u>2,694,863</u>

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

Restricted general funds

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

Pension reserve

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

Restricted fixed asset funds

This fund represents grants received from the DfE and EFA to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

The Violet Way Academy
(A company limited by guarantee)

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

19. Statement of funds (continued)

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	393,575	434,091	(287,091)	-	-	540,575
Restricted funds	(447,434)	1,165,704	(1,185,995)	(23,824)	(257,000)	(748,549)
Restricted fixed asset funds	2,934,786	38,724	(94,497)	23,824	-	2,902,837
	<u>2,880,927</u>	<u>1,638,519</u>	<u>(1,567,583)</u>	<u>-</u>	<u>(257,000)</u>	<u>2,694,863</u>

20. Analysis of net assets between funds

	Unrestricted funds 2014 £	Restricted general funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	2,901,997	2,901,997	2,934,786
Current assets	540,575	161,452	14,842	716,869	498,853
Creditors due within one year	-	(143,001)	(14,002)	(157,003)	(58,712)
Provisions for liabilities and charges	-	(767,000)	-	(767,000)	(494,000)
	<u>540,575</u>	<u>(748,549)</u>	<u>2,902,837</u>	<u>2,694,863</u>	<u>2,880,927</u>

21. Net cash flow from operations

	2014 £	2013 £
Net incoming resources before revaluations	70,936	255,874
Returns on investments and servicing of finance	(804)	(13)
Depreciation of tangible fixed assets	94,497	88,404
Capital grants from DfE	(38,724)	(2,979)
(Increase)/decrease in debtors	(3,562)	9,414
Increase in creditors	98,291	23,784
FRS 17 adjustments - pension costs for LGPS scheme	16,000	13,000
Net cash inflow from operations	<u>236,634</u>	<u>387,484</u>

The Violet Way Academy
(A company limited by guarantee)

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

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	804	13
	<u>804</u>	<u>13</u>
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(61,708)	(38,671)
Purchase of unlisted and other investments	-	(1)
Capital grants from DfE	38,724	2,979
	<u>(22,984)</u>	<u>(35,693)</u>
Net cash outflow capital expenditure	<u>(22,984)</u>	<u>(35,693)</u>

23. Analysis of changes in net funds

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	458,358	214,454	-	672,812
Net funds	<u>458,358</u>	<u>214,454</u>	<u>-</u>	<u>672,812</u>

24. Capital commitments

At 31 August 2014 the group and academy had capital commitments as follows:

	Group		Academy	
	2014 £	2013 £	2014 £	2013 £
Contracted for but not provided in these financial statements	84,951	-	84,951	-

25. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £12,951 were payable to the scheme at 31 August 2014 (2013 - £Nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative

25. Pension commitments (continued)

bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The group is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the group 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 group has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £103,000, of which employer's contributions totalled £82,000 and employees' contributions totalled £21,000. The agreed contribution rates for future years are 19.5% for employers and 5.5 - 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

25. Pension commitments (continued)

The group'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 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.30	541,000	6.60	466,000
Bonds	3.40	93,000	4.00	72,000
Property	4.50	57,000	4.70	48,000
Cash	3.30	21,000	3.60	18,000
Total market value of assets		<u>712,000</u>		<u>604,000</u>
Present value of scheme liabilities		<u>(1,479,000)</u>		<u>(1,098,000)</u>
(Deficit)/surplus in the scheme		<u><u>(767,000)</u></u>		<u><u>(494,000)</u></u>

The amounts recognised in the balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,479,000)	(1,098,000)
Fair value of scheme assets	<u>712,000</u>	<u>604,000</u>
Net liability	<u><u>(767,000)</u></u>	<u><u>(494,000)</u></u>

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

	2014 £	2013 £
Current service cost	(85,000)	(70,000)
Interest on obligation	(53,000)	(40,000)
Expected return on scheme assets	<u>40,000</u>	<u>24,000</u>
Total	<u><u>(98,000)</u></u>	<u><u>(86,000)</u></u>
Actual return on scheme assets	<u><u>83,000</u></u>	<u><u>70,000</u></u>

The Violet Way Academy
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

25. Pension commitments (continued)

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

	2014 £	2013 £
Opening defined benefit obligation	1,098,000	941,000
Current service cost	85,000	70,000
Interest cost	53,000	40,000
Contributions by members	21,000	19,000
Actuarial losses	223,000	28,000
Benefits paid	(1,000)	-
	<u>1,479,000</u>	<u>1,098,000</u>
Closing defined benefit obligation	<u>1,479,000</u>	<u>1,098,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	604,000	442,000
Expected return on assets	40,000	24,000
Contribution by employer	82,000	73,000
Contributions by employees	21,000	19,000
Actuarial gains and (losses)	(34,000)	46,000
Benefits paid	(1,000)	-
	<u>712,000</u>	<u>604,000</u>
	<u>712,000</u>	<u>604,000</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £257,000 (2013 - £18,000).

The group expects to contribute £68,000 to its Defined benefit pension scheme in 2015.

The Violet Way Academy
(A company limited by guarantee)

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

25. Pension commitments (continued)

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

	2014	2013
Equities	76.00 %	77.00 %
Bonds	13.00 %	12.00 %
Property	8.00 %	8.00 %
Cash	3.00 %	3.00 %

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.60 %	6.00 %
Rate of increase in salaries	4.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.1	21.2
Females	24.3	23.4
Retiring in 20 years		
Males	24.3	23.3
Females	26.6	25.6

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014	2013
	£	£
Defined benefit obligation	(1,479,000)	(1,098,000)
Scheme assets	712,000	604,000
Deficit	<u>(767,000)</u>	<u>(494,000)</u>

The Violet Way Academy
(A company limited by guarantee)

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

26. Operating lease commitments

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

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
Group and Academy				
Expiry date:				
Within 1 year	-	-	410	-
Between 2 and 5 years	-	-	7,720	7,913

27. 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.

28. Related party transactions

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

No related party transactions took place in the period ended 31 August 2014.

The academy has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with members of the group headed by The Violet Way Academy, on the grounds that 100% of the voting rights in the subsidiary company are controlled within that group and the company is included in consolidated financial statements.

29. Controlling party

The charity is controlled by the Board of Trustees.

30. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Violet Way Nursery and Care Club Limited	England	100%	Provision of nursery care