

**WATERLOO PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2014



**WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr Mark Gray
Mr Eddie Collett
Mrs Julie Edwards

Governors

Mr Eddie Collett^{1,3} – Chairman
Mr Robert Fox^{1,2} – Staff Governor
Mrs Alison Kilby² – Staff Governor
Mr Mark Gray¹ – Principal and Accounting Officer
Mr Phillip Thompson¹
Mr Steve West^{1,2}
Mrs Julie Evans¹
Mrs Sue Flint^{1,3,4} (resigned 20/12/2013)
Mrs Ann Edwards³
Mr Allan Matthews^{2,4}
Mrs Kirsty Lillico (appointed 20/01/2014)
Mr Michael Nash (appointed 20/01/2014)

¹members of the Finance, Audit & Pay Policy Committee

²members of Site & Buildings / Health and Safety Committee

³members of Performance Management Committee

⁴members of Pupils Exclusions/Discipline Committee

Company Secretary

Mrs Sheryl Cardwell

Senior management team

- Principal	Mr Mark Gray
- Deputy Headteacher	Mrs Cara Vaughan
- Deputy Headteacher	Mr David Woodcock
- Business Manager	Mrs Sheryl Cardwell

Registered office

Waterloo Road
Blackpool
FY4 3AG

Company registration number

08087508 (England & Wales)

**WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Auditors

Moore and Smalley LLP
Chartered Accountants & Statutory Auditor
Richard House
Winckley Square
Preston
PR1 3HP

Bankers

Lloyds TSB
Church Street
Blackburn
BB6 7QN

Solicitors

Brabners Chaffe Street LLP
7-8 Chapel Street
Preston
PR1 8AN

Actuary

Mercer
Exchange Station
Tithebarn Street
Liverpool
L2 2QP

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The governors present their annual report together with the audited financial statements of the Academy for the year ended 31 August 2014. The comparatives accompanying these accounts are for a 14-month period.

The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Blackpool.

Structure, Governance and Management

Constitution

Waterloo Primary School converted to Waterloo Primary Academy ("The Academy") on 1 July 2012. The Academy 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.

The Academy was incorporated on 29 May 2012 and commenced its activities on transfer from the Local Authority on the conversion date stated above.

The governors act as the trustees for the charitable activities of the Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Waterloo Primary Academy.

Details of the governors, who served throughout the period, except as noted, 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' indemnities

The Academy has purchased indemnity insurance to protect governors and officers from claims arising in connection with Academy business. The insurance provides cover of up to £1,000,000 on any one claim.

Principal activities

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

The principal object and activity of the charitable company is the operation of a school to provide education for pupils of mixed abilities between the ages of 3 and 11. In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Method of recruitment and appointment or election of governors

The Articles of Associations states that, the number of governors shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48-49 and 63, Waterloo Primary Academy shall have the following Governors:

- a) Up to fifteen Governors, appointed under Article 50
- b) any Staff Governors, if appointed under Article 50A;
- c) a minimum of 2 Parent Governors appointed under Articles 52-57 ;
- d) the Principal;
- e) any Additional Governors, if appointed under Article 61, 61A or 67A; and
- f) any Further Governors, if appointed under Article 62 or Article 67A

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

When seeking new Governors the Chair assesses the skill set of the current Governors and considers what qualities and experience would enhance the Team for the benefit of the Academy. The Academy also issues letters home to parents in addition to making use of media technology to advertise such positions.

The Secretary of State may appoint such Additional Governors as he thinks fit if the Secretary of State has:

- a) given the Governors a warning notice in accordance with Article 59 ; and
- b) the Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint such Additional Governors where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") Waterloo Primary Academy receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by Waterloo Primary School shall be regarded as the grade received by the Academy.

The Secretary of State may also appoint such Further Governors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

The Governors are appointed by the following:

Parent governors	Elected by parents of the students of the Academy
Staff governors	Elected by staff of the Academy
Local government representatives	Appointed by Blackpool Borough Council
Other governors	Appointed by members of the Academy

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new Governors will depend on their existing experience.

All governors are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents on appointment. Induction training is provided by Blackpool Borough Council Governors Services, the Academy's Outsourced Service Contract Supplier and ongoing training is detailed through monthly governors' newsletters, specifying availability.

Organisational structure

The Academy is governed by its Governing Body, whose members are directors of the charitable company, for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of three levels: the Governing Body, the Headteacher and the Senior Leadership Team.

The Governing Body is responsible for setting general policy, adopting a school development plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments. Certain elements of these responsibilities are delegated to the following sub committees who make recommendations to the full Governing Body:

- Finance, Audit & Pay Policy Implementation Committee
- Sites & Buildings/Health & Safety Committee
- Performance Management Committee
- Pupils Exclusions/Discipline Committee

The Governors on the committees have powers delegated to them from the full Governing Body to make decisions on behalf of the academy. During the course of 2013/14 academic year the full governing body met three times.

The Governors have adopted a scheme of financial delegation, which clearly sets out the level of financial authority delegated to the Principal (who is the Accounting Officer) and other members of staff.

The Senior Leadership Team comprises;

- Principal
- Two deputy Principals
- Business Manager.

These leaders control the Academy at an executive level, organising teaching staff, facilities, and students and implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to members of the Leadership Team and Curriculum Leaders.

**WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities, other operational areas of the Academy and its finances. These risks are reviewed on an annual basis by the Business Manager, Principal and Governing Body. A number of new operational systems have been implemented during the year in order to minimise specific risks. These include data protection, safeguarding of data, internal financial controls and experienced interchangeable office staff. Where significant financial risk is still remaining the academy ensures that adequate insurance cover and a disaster recovery plan is in place.

The internal financial systems are based on the Academies Financial Handbook September 2014 and are documented in Waterloo Primary Financial Handbook. The systems are based on a framework of segregation of duties, schemes of delegation which include authorisation and approval. Financial management information is provided to governors on a quarterly basis. The Business Manager updates the Academy handbook as and when new information is available from the DfE and EFA, with any significant changes being brought back to the Governing Body.

The responsible officer role has been performed during 2013/14 academic year, by Mr David Brookes and two reports have been presented to the Governing Body. No major issues have been identified. Recommendations for the improvements to systems and procedures have been implemented.

Connected organisations, including related party relationships

Waterloo Primary Academy is a single academy and is not part of a federation. On a wider scale a cluster of Blackpool Primary Academies meet regularly with a view to sharing best practice and investigating shared purchasing, operational options among other matters.

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and Activities

Objects and Aims

Waterloo Primary Academy meets the needs of pupils very well and it achieves excellent outcomes from the high standard of education that it provides for them. The Principal, supported by the Governing Body and Academy Trust, two effective deputies, year leaders and all staff are committed fully to securing the highest standards and to sustaining improvement in all areas of the school's work. Outcomes for the vast majority of individual pupils are high in relation to starting points. The school benefits from a high standard of leadership at all levels.

The main strengths and areas for development as set out in its governing document are:

Strengths

- a challenging and engaging curriculum
- intervening early to ensure children make rapid progress from a low baseline
- making effective use of the Pupil Premium to drive up standards
- performance management linked to high quality teaching/learning
- Good with outstanding features Ofsted report

Development areas

- extend the more able pupils to achieve higher attainment levels
- ensure all vulnerable groups, EAL and SEND pupils make good progress
- focus on developing writing at every level
- create an advanced portfolio of pupils work to use effectively to benchmark standards

The quality of teaching in the school

- high quality teaching-lesson observations January 2014, 97% good or better
- monitoring through book scans, planning, I-track, learning walks, peer and self-assessment, etc
- focused CPD programme, both in house and working with other schools
- knowledge and understanding of a curriculum fit for purpose
- use of data and assessment
- pupils reading widely and often

Development areas

- continue to bear down on quality of teaching
- strengthen quality assurance/role of year leaders
- consistency of practice across school/year groups
- further embed assessment targets and accountability on I-track
- evidence from monitoring of groups translated into individual-level planning

The behaviour and safety of pupils in the school

- positive ethos; pupils feel safe at school; behaviour always good or better
- rigorous safeguarding process; induction of staff and volunteers

Development areas

- reporting child safety issues using the new IT database
- improving attendance rates and consistently monitoring lateness

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The quality of leadership and management of the school

- strong and effective leadership and academy governance
- high expectations; relentless focus on teaching and learning
- robust self-evaluation processes
- quality provision for all aspects of our work
- partnership collaboration with other schools
- nurturing leadership at all levels
- consistency of practice and expectations

Public benefit

The Governors are aware of the Charity Commission Guidance on providing public benefit and have had due regard to this in exercising their duties during the year. The key public benefit delivered by Waterloo Primary Academy is the maintenance and development of education provided by the School, to the young people of Blackpool. Additionally we offer the use of the school hall to the local scouts club each week, furthermore the PACT makes use of the facilities for their monthly meetings.

Strategic Report

Achievements and Performance

Reading					
	Age Related Attainment	Achieved or Exceeded Summer Target	Exceeded Summer Target	Average Point Score	sub-level Progress
Y2	79%	91%	27%	4.6	2.3
Y6	91%	88%	63%	5.2	2.6

Writing					
	Age Related Attainment	Achieved or Exceeded Summer Target	Exceeded Summer Target	Average Point Score	sub-level Progress
Y2	54%	80%	13.4%	3.5	1.75
Y6	88%	96%	57%	5.78	2.92

WATERLOO PRIMARY ACADEMY
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GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Maths					
	Age Related Attainment	Achieved or Exceeded Summer Target	Exceeded Summer Target	Average Point Score	sub-level Progress
Y2	68%	88%	27%	4.0	2.0
Y6	93%	97%	68%	7.2	3.6

Going concern

After making appropriate enquiries, the Governing Body 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

The School's total incoming resources during the year were £3,484,228 (2013: £3,660,813 for 14-months and excludes £2,825,746 in respect of the net transfer of assets on conversion). Full details of the assets and liabilities transferred are set out in note 27 to the accounts.

The majority of the academy's income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the School's educational operations in the year was £3,394,454 (2013: £3,599,114 for 14-months) and further details are provided in note 5 to the accounts.

Total outgoing resources for the year were £3,369,098 (2013: £3,531,825 for 14-months), the majority of which related to the direct provision of educational operations of £3,320,275 (2013: £3,484,632 for 14-months). The excess of income over expenditure was £115,130 (2013: £135,028 – for 14-months and excluding the transfer of net assets on conversion).

At the year end the School's total reserves were £3,267,904 (2013: £2,957,774), including unrestricted funds of £74,166 (2013: £66,988) and restricted funds of £3,193,738 (2013: £2,890,786). Restricted funds include fixed assets of £3,529,493 (2013: £3,541,062), less the LGPS pensions scheme deficit of £737,000 (2013: £867,000). The remaining balances on restricted funds relate to funding received to date, which is due to be spent in future years in accordance with the terms of funding. Further detail is provided in note 15.

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

On conversion in 2012 the School inherited a deficit of £820,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit had decreased to £737,000 by 31 August 2014, mainly due to changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. The School is currently paying contributions of approximately £25,700 towards the deficit, funded out of GAG. The School does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future.

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.

At 31 August 2014 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the School.

Financial and risk management objectives and policies

The academy has receives most of its income on a monthly basis and manages its cash flow accordingly.

Reserves policy

The Governors review the reserve levels of the Academy annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and repairs. The academy's current reserves, net of amounts allocated to fixed assets and the pension deficit, are £475,411 (2013: £283,712). The Academy will take appropriate action to ensure that reserves are always at a prudent level.

Restricted GAG reserves

The Governors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The School aim to have in their reserves at least one month's salary and business costs with additional costs being accumulated for school improvement. At 31 August 2014 the school held GAG reserves of £375,753 (2013: £91,924).

Unrestricted reserves

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the school holds unrestricted free reserves, which provide additional working capital and are not committed or designated

At 31 August 2014 the level of unrestricted reserves held was £74,166 (2013: £66,988), which is in line with the reserves policy.

**WATERLOO PRIMARY ACADEMY
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GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Investment policy

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The Academy does not currently hold any investments other than cash, which is held for its normal operations. The Governing Body has adopted a low risk strategy to its cash holdings. Surplus cash is held in an instant access deposit account to ensure that there is always access to sufficient cash to meet short and medium term requirements.

Plans for future periods

The Academy will continue striving to improve the levels of performance of its students. The Academy has continued to have additional teachers out of class to provide high quality and focussed support for its students. Furthermore additional teachers have been recruited to provide additional group support for Literacy and Numeracy.

The academy also continues to provide specialist Physical Education by utilising the Governments PE sports grant.

Funds held as Custodian Trustee on behalf of others

For the year ending 31 August 2014 there are no assets and arrangements for safe custody segregation (2013: £nil).

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the governors 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.

Moore and Smalley will be reappointed as auditors and accountants for the forth-coming year.

Approved by order of the members of the Governing Body on 4th December 2014 and signed on its behalf by:


.....
Eddie Collett
Chair

WATERLOO PRIMARY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

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

Governor	Meetings attended	Out of a possible
Eddie Collett - (Chairman)	3	3
Anne Edwards	3	3
Julie Evans	3	3
Sue Flint (resigned 20/12/2013)	-	1
Robert Fox	3	3
Mark Gray	3	3
Alison Kilby	3	3
Allan Matthews	1	3
Phil Thomson	1	3
Steve West	3	3
Kirsty Lillico (appointed 20/01/2014)	2	2
Michael Nash (appointed 20/01/2014)	2	2

WATERLOO PRIMARY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

The Finance and Audit Committee is a sub-committee of the main governing body. Its purpose is to carry out its delegated powers of overseeing the school finances. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Steve West – (Chair of Committee)	4	4
Julie Evans	4	4
Eddie Collett	4	4
Sue Flint (resigned 20/12/2013)	-	1
Mark Gray	4	4
Robert Fox	4	4
Phil Thompson	2	4

The other sub committees have not met officially within the year, as items relating to these committees have been discussed at full governing body committee meetings.

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'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.

Capacity to handle risk

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

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 governing body
- 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

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr David Brookes, an external Business Manager, as Responsible Officer ("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 reviews are completed and a report produced for the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. This work is completed in line with the EFA's requirements.

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:

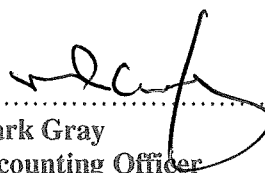
- The work of the Responsible Officer
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 4th December 2014 and signed on its behalf by:



.....
Eddie Collett
Chair



.....
Mark Gray
Accounting Officer

**WATERLOO PRIMARY ACADEMY
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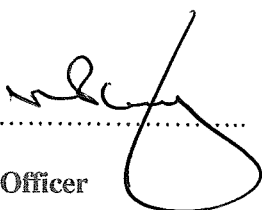
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) 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 governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy 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.

.....
Mark Gray
Accounting Officer



WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the governors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the period. In preparing these financial statements, the governors are required to:

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

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy'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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the 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 governing body on 4th December 2014 and signed on its behalf by:


.....
Eddie Collett
Chair

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 AUGUST 2014

We have audited the financial statements of Waterloo Primary Academy for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (Financial Reporting Standard for Smaller Entities (effective April 2008) United Kingdom Generally Accepted Accounting Practice applicable to smaller entities) and the Annual Accounts Direction 2013/14 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 trust'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 academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 16, the governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities) ; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013/14 issued by the Education Funding Agency.

**WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the governors' report.



.....
Christine Wilson FCA, DChA
Senior Statutory Auditor

For and on behalf of
Moore and Smalley LLP
Chartered Accountants & Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

11/12/14

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2014

In accordance with the terms of our engagement letter dated 20th March 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013/14, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the year 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 academy trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the academy 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 the academy trust and the EFA, for our work, for this report, or for the opinion we have formed.

Respective responsibilities of the accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the academy trust's funding agreement with the Secretary of State for Education dated 29th June 2012 and the Academies Financial Handbook extant from 1 September 2013 (updated October 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 2013/14. We report to you whether, in our opinion, 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 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 2013/14 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
THE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2014

We have undertaken testing as appropriate in line with the guidance included in Technical release 08/12AAF from the Institute of Chartered Accountants in England and Wales.

The work undertaken to draw our conclusion includes an evaluation of the control environment of the school together with enquiry, analytical review and substantive testing of transactions.

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 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.

.....*Moore and Smalley* *UP*
Moore and Smalley LLP
Chartered Accountants

Richard House
Winckley Square
Preston
PR1 3HP

11/12/14

WATERLOO PRIMARY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATES THE INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	12 months Total 2014	14 months Total 2013
	Note	£	£	£	£	£
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	8,296	-	-	8,296	12,238
Transfer from local authority on conversion	27	-	-	-	-	2,825,746
Activities for generating funds	3	80,899	-	-	80,899	49,086
Investment income	4	579	-	-	579	415
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	2,910	3,391,544	-	3,394,454	3,599,114
Total incoming resources		92,684	3,391,544	-	3,484,228	6,486,599
Resources expended						
<i>Cost of generating funds:</i>						
Costs of activities for generating funds		34,008	-	-	34,008	23,855
<i>Charitable activities:</i>						
Academy's educational operations	7	51,498	3,185,806	82,971	3,320,275	3,484,632
Governance costs	8	-	14,815	-	14,815	23,338
Total resources expended	6	85,506	3,200,621	82,971	3,369,098	3,531,825
Net incoming/(outgoing) resources before transfers		7,178	190,923	(82,971)	115,130	2,954,774
Gross transfers between funds	15	-	(71,402)	71,402	-	-
Net income/(expenditure) for the year		7,178	119,521	(11,569)	115,130	2,954,774
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	195,000	-	195,000	3,000
Net movement in funds		7,178	314,521	(11,569)	310,130	2,957,774
Reconciliation of funds						
Funds brought forward to 1 September 2013	15	66,988	(650,276)	3,541,062	2,957,774	-
Funds carried forward at 31 August 2014	15	74,166	(335,755)	3,529,493	3,267,904	2,957,774

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

WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET

AS AT 31 AUGUST 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	12	3,529,493	3,541,062
Current assets			
Debtors	13	220,857	86,199
Cash at bank and in hand		<u>562,559</u>	<u>308,333</u>
		783,416	394,532
Creditors: Amounts falling due within one year	14	<u>(308,005)</u>	<u>(110,820)</u>
Net current assets		<u>475,411</u>	<u>283,712</u>
Total assets less current liabilities		4,004,904	3,824,774
Pension scheme liability	26	<u>(737,000)</u>	<u>(867,000)</u>
Net assets		<u>3,267,904</u>	<u>2,957,774</u>
Funds of the academy:			
Restricted funds			
Fixed asset funds	15	3,529,493	3,541,062
General funds	15	401,245	216,724
Pension reserve	15	<u>(737,000)</u>	<u>(867,000)</u>
Total restricted funds		3,193,738	2,890,786
Unrestricted funds	15	<u>74,166</u>	<u>66,988</u>
Total funds		<u>3,267,904</u>	<u>2,957,774</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 21 to 43 were approved by the Governors, and authorised for issue on 4th December 2014 and are signed on their behalf by:



Eddie Collett
Chair

Company Limited by Guarantee
 Registration Number 08087508

**WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	12 months 2014 £	14 months 2013 £
Net cash inflow from operating activities	19	423,577	164,821
Returns on investments and servicing of finance	20	579	415
Capital income/(expenditure)	21	(169,930)	82,351
Cash transferred on conversion to an academy trust	27	-	60,746
Increase in cash in the year	22	254,226	308,333
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		308,333	-
Net funds at 31 August 2014	22	562,559	308,333

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

1 Statement of Accounting policies

Basis of preparation

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

Going concern

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

Sponsorship income

No sponsorship income was provided to the Academy, which amounts to a donation.

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 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 an estimate of their gross 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 Academy's policies.

**WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Statement of Accounting policies (continued)

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

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's educational operations.

Governance costs

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

All resources expended are inclusive of any irrecoverable VAT.

Conversion to an Academy

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

The assets and liabilities transferred on conversion from Waterloo Primary School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

On conversion the School acquired the land and buildings from which it operates under a 125 year lease. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 March 2013 on behalf of the Department for Education by DTZ. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

In addition, the School inherited the fixtures and fittings and other tangible fixed assets in use by the School at the date of conversion. These assets had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included in the accounts for these assets. The insurance value of fixtures and fittings and other assets inherited on conversion was £982,827.

WATERLOO PRIMARY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Statement of Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are considered for capitalisation 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.

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

Freehold buildings	2%
Fixtures, fittings and equipment	20% - 25%
ICT equipment	33.3%

The value of the land, included in Freehold land and buildings is £255,000.

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 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.

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Statement of Accounting policies (continued)

Pension benefits

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 and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 at the discretion of the governors.

Restricted fixed asset funds are resources which have been utilised in acquiring fixed assets. The initial funding may have arisen from unrestricted funds or other restricted funds, a transfer from the appropriate fund is made to the fixed asset fund to identify the capitalisation of an asset and future depreciation on these assets will be charged to the fixed asset fund.

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

WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

2 Voluntary income

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	12 months Total 2014 £	14 months Total 2013 £
Other donations	8,296	-	-	8,296	12,238

3 Activities for generating funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	12 months Total 2014 £	14 months Total 2013 £
Catering income	37,371	-	-	37,371	7,114
After school club	34,080	-	-	34,080	40,028
Sundry income	9,448	-	-	9,448	1,944
	80,899	-	-	80,899	49,086

4 Investment income

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	12 months Total 2014 £	14 months Total 2013 £
Bank interest receivable	579	-	-	579	415

WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

5 Funding for Academy's educational operations

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	12 months Total 2014 £	14 months Total 2013 £
DfE/EFA grants					
General Annual Grant (GAG)	-	2,519,095	-	2,519,095	2,869,646
Start-up grant	-	-	-	-	24,000
Insurance grant	-	50,038	-	50,038	56,556
Pupil premium	-	369,449	-	369,449	240,154
Capital grants	-	249,265	-	249,265	216,873
Other DfE/EFA grants	-	11,837	-	11,837	2,200
	-	3,199,684	-	3,199,684	3,409,429
Other government grants					
Capital grants	-	11,228	-	11,228	8,429
Nursery grants	-	87,496	-	87,496	95,196
Special needs	-	36,015	-	36,015	-
Pupil premium	-	4,683	-	4,683	35,262
Support staff funding	-	34,399	-	34,399	18,945
	-	173,821	-	173,821	157,832
Other educational income					
School trips	-	9,800	-	9,800	17,899
Other school fund income	2,910	8,239	-	11,149	13,954
	2,910	18,039	-	20,949	31,853
	2,910	3,391,544	-	3,394,454	3,599,114

WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2014 £
Cost of activities for generating funds	-	-	34,008	34,008
Academies educational operations	2,495,825	555,788	268,662	3,320,275
Governance costs	-	-	14,815	14,815
	2,495,825	555,788	317,485	3,369,098

Incoming/outgoing resources for the year include:

	12 months 2014 £	14 months 2013 £
Fees payable to auditor:		
- Audit of the financial statements	6,230	6,000
- Accountancy, taxation and other services	3,590	4,250
Operating leases	12,757	20,635
Depreciation	78,576	82,992

7 Charitable activities – Academy's educational operations

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	12 months Total 2014 £	14 months Total 2013 £
<i>Direct</i>					
Teaching and educational support staff	34,080	2,111,644	-	2,145,724	2,390,071
Educational supplies and services	6,236	139,277	-	145,513	162,908
ICT costs expended	2,155	41,771	-	43,926	61,382
Depreciation - ICT	-	-	9,395	9,395	714
<i>Support</i>					
Administrative and other staff	-	250,426	-	250,426	204,007
FRS17: Pension costs	-	32,000	-	32,000	11,000
FRS17: Finance costs	-	33,000	-	33,000	39,000
Staff restructuring costs	-	15,773	-	15,773	21,703
Other staff related costs	1,063	17,839	-	18,902	20,411
Maintenance of premises	-	356,615	-	356,615	171,098
Other occupancy costs	-	120,465	-	120,465	145,038
Other supplies and services	-	43,045	-	43,045	134,980
School trips	-	13,679	-	13,679	17,134
Other school fund expenditure	7,964	5,140	-	13,104	17,002
Other equipment costs expended	-	5,132	-	5,132	5,906
Depreciation - Other	-	-	73,576	73,576	82,278
	51,498	3,185,806	82,971	3,320,275	3,484,632

WATERLOO PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

8 Governance costs

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	12 months Total 2014 £	14 months Total 2013 £
Legal and professional fees	-	3,050	-	3,050	9,057
Audit Fee	-	6,530	-	6,530	6,000
Other accountancy services	-	3,290	-	3,290	4,250
Governors support costs	-	1,945	-	1,945	4,031
	-	14,815	-	14,815	23,338

9 Staff costs

	12 months 2014 £	14 months 2013 £
<i>Staff costs during the year were:</i>		
Wages and salaries	1,967,684	2,140,605
Employer's national insurance contribution	129,325	144,711
Pension costs (includes FRS17 pension & finance cost adjustments)	336,253	350,981
	2,433,262	2,636,297
Supply teacher costs	27,888	19,737
Staff restructuring costs	15,773	21,703
Other staff related costs	18,902	20,411
	2,495,825	2,698,148

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £15,773. Two of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £5,000 and £9,123.

The average number of persons (including senior management team) employed by the Academy during the year was as follows:

	2014 Number	2014 Full-time equivalent	2013 Number	2013 Full-time equivalent
<i>Charitable activities</i>				
Teachers	30	32	32	29
Administration and support	61	41	69	54
Management	4	4	4	4
	95	77	105	87

Number of employees whose emoluments fell within the following bands:

	2014 £	2013 £
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2014 pension contributions for this employee amounted to £12,917 (2013: £12,414).

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

10 Governors' remuneration and expenses

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of the governors' remuneration for the year, including pension contributions was as follows:

M Gray – Headteacher:	£100k to £105k (2013: £115k to £120k – 14 months)
R Fox – Staff Governor:	£45k to £50k (2013: £50k to £55k – 14 months)
A Kilby – Staff Governor:	£20k to £25k (2013: £25k to £30k – 14 months)
K Lillico – Staff Governor	£0k to £5k (From January 2014; 2013:£nil)

During the year, travel and subsistence expenses totalling £nil (2013: £nil), were reimbursed to governors. Related party transactions involving the governors are set out in note 25.

11 Governors' and officers' insurance

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

12 Tangible fixed assets

	Freehold land and buildings £	Computer equipment £	Furniture and equipment £	Total £
Cost				
At 1 September 2013	3,585,000	12,900	26,154	3,624,054
Additions	-	24,157	47,245	71,402
Disposals	-	-	-	-
At 31 August 2014	3,585,000	37,057	73,399	3,695,456
Depreciation				
At 1 September 2013	77,700	714	4,578	82,992
Charged in year	66,600	9,395	6,976	82,971
Disposals	-	-	-	-
At 31 August 2014	144,300	10,109	11,554	165,963
Net book values				
At 31 August 2014	3,440,700	26,948	61,845	3,529,493
At 31 August 2013	3,507,300	12,186	21,576	3,541,062

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

13 Debtors

	2014 £	2013 £
VAT recoverable	17,583	15,179
Prepayments and accrued income	203,274	71,020
	<u>220,857</u>	<u>86,199</u>

14 Creditors: amounts falling due within one year

	2014 £	2013 £
Other taxes and social security	41,029	37,815
Other creditors	35,597	34,244
Accruals and deferred income	231,379	38,761
	<u>308,005</u>	<u>110,820</u>

Deferred income

	2014 £	2013 £
Balance at 1 September 2013	-	-
Resources deferred in the year	58,722	-
Amounts released from previous years	-	-
Balance at 31 August 2014	<u>58,722</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in advance for the year to 31 August 2015 for the Insurance grant along with the advance receipt of the Universal Infant Free Schools Meals grant.

WATERLOO PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

15 Funds

	Balance at 1 Sep 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 Aug 2014 £
Restricted general funds					
General Annual Grant (GAG)	91,924	2,519,095	(2,163,864)	(71,402)	375,753
Other DfE/EFA grants	-	431,324	(431,324)	-	-
DfE/EFA capital grants	121,405	249,265	(347,793)	-	22,877
Other government capital grants	-	11,228	(11,228)	-	-
Other government grants	-	162,593	(162,593)	-	-
Other incoming resources	3,395	18,039	(18,819)	-	2,615
	216,724	3,391,544	(3,135,621)	(71,402)	401,245
Pension reserve	(867,000)	-	(65,000)	195,000	(737,000)
	(650,276)	3,391,544	(3,200,621)	123,598	(335,755)
Restricted fixed asset funds					
Assets capitalised	3,541,062	-	(82,971)	71,402	3,529,493
	3,541,062	-	(82,971)	71,402	3,529,493
Total restricted funds	2,890,786	3,391,544	(3,283,592)	195,000	3,193,738
Unrestricted funds	66,988	92,684	(85,506)	-	74,166
Total funds	2,957,774	3,484,228	(3,369,098)	195,000	3,267,904

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.

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

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants includes local authority pupil premium, nursery grants and other support staff funding.

Other restricted funds include contributions received for school trips.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

15 Funds (continued)

The pension reserve represents the value of the School's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited in conversion was £820,000 and had fallen to £737,000 at 31 August 2014.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other capital grants during the year. Depreciation is charged against the fund.

16 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,529,493	3,529,493
Current assets	74,166	709,250	-	783,416
Current liabilities	-	(308,005)	-	(308,005)
Pension scheme liability	-	(737,000)	-	(737,000)
Net assets	74,166	(335,755)	3,529,493	3,267,904

17 Capital commitments

	2014 £	2013 £
Contracted for but not provided in the financial statements	38,304	240,810

18 Financial commitments

Operating leases

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

	2014 £	2013 £
Other		
Expiring within one year	-	7,401
Expiring within two and five years inclusive	12,757	13,234
Expiring in over five years	-	-
	12,757	20,635

WATERLOO PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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

	2014	2013
	£	£
Net incoming resources	115,130	2,954,774
Depreciation (note 12)	82,971	82,992
Capital income from DfE/EFA and local government	(260,493)	(225,302)
Major refurbishment projects funded by capital grants	359,021	103,897
Interest receivable (note 4)	(579)	(415)
FRS 17 pension cost less contributions payable (note 26)	32,000	11,000
FRS 17 pension finance costs (note 26)	33,000	39,000
Net assets inherited on conversion (note 27)	-	(2,825,746)
(Increase)/decrease in debtors	(134,658)	(86,199)
Increase/(decrease) in creditors	197,185	110,820
Net cash inflow from operating activities	423,577	164,821

20 Returns on investments and servicing of finance

	2014	2013
	£	£
Interest received	579	415
Net cash inflow from returns on investment and servicing of finance	579	415

21 Capital income and expenditure

	2014	2013
	£	£
Purchase of tangible fixed assets	(71,402)	(39,054)
Capital grants from DfE/EFA	249,265	216,873
Capital grants from local government	11,228	8,429
Major refurbishment projects funded by capital grants	(359,021)	(103,897)
Net cash inflow from capital expenditure and financial investment	(169,930)	82,351

22 Analysis of changes in net funds

	At 1		At 31
	September	Cash flows	August
	2013		2014
	£	£	£
Cash in hand and at bank	308,333	254,226	562,559

**WATERLOO PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

23 Contingent liabilities

There were no contingent liabilities at the year end (2013: £nil).

24 Members' liability

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

25 Related party transactions

No related party transactions occurred during the year (2013: £nil).

26 Pension and similar obligations

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

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

Pension contributions amounting to £35,597 (2013: £34,244) were outstanding at the end of the financial year.

Teachers' Pension Scheme

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

**WATERLOO PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

26 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

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

Teachers' Pension Scheme Changes

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

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

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

WATERLOO PRIMARY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

26 Pension and similar obligations (continued)

Teachers' Pension Scheme Changes (continued)

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases 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.

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

Local government pension scheme

The academy is one of several employing bodies included within the 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 £147,612, of which employer's contributions totalled £111,345 and employees' contributions totalled £36,267. The agreed normal contribution rates for future years are 13.6% for employers and 5.5 – 6.8% for employees. In addition, annual deficit contributions of £25,716 are to be paid in 2014/15. Based on the latest actuarial report these are due to increase at 4.1% per annum over the next 3 years. The deficit contributions will be reviewed following the next triennial valuation in 2016.

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.

Principal actuarial assumptions	At 31 August 2014 %	At 31 August 2013 %
Rate of increase in salaries	3.7	4.4
Rate of increase in pensions in payment/inflation	2.2	2.4
Discount for scheme liabilities	4.0	4.5
Inflation assumption (CPI)	2.2	2.4

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

26 Pension and similar obligations (continued)

Local government pension scheme (continued)

The sensitivity of the scheme liabilities, and therefore the net deficit, at 31 August 2014 to changes in the principal assumptions used to measure the scheme liabilities are as follows:

	As recognised in accounts	Sensitivity 1 +0.1%p.a. discount rate	Sensitivity 2 +0.1%p.a. inflation	Sensitivity 3 1 year increase in life expectancy
	£000	£000	£000	£000
Liabilities	1,704	1,666	1,743	1,734
Assets	(967)	(967)	(967)	(967)
Deficit	737	699	776	767

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.8	22.1
Females	25.3	24.8
<i>Retiring in 20 years</i>		
Males	25.0	23.9
Females	27.7	26.7

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	7.0	481	7.0	375
Government bonds	2.9	2	3.4	50
Other bonds	3.8	257	4.4	150
Property	6.2	93	5.7	61
Cash/liquidity	0.5	23	0.5	34
Other	7.0	111	7.0	60
Total market value of assets		967		730
Present value of scheme liabilities funded		(1,704)		(1,597)
Surplus/(deficit) in the scheme		(737)		(867)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

26 Pension and similar obligations (continued)

Local government pension scheme (continued)

The expected rate of return on plan assets is based on market expectations. The assumptions used to determine the expected rate are an average of the assumed market expectations appropriate to the individual asset classes weighted by the proportion of the assets in a particular class. The actual return on scheme assets was £62,000 (2013: £95,000).

Amounts recognised in the statement of financial activities

	2014 £'000	2013 £000
Current service cost (net of employee contributions)	8	11
Effects of curtailments	30	-
Total operating charge	38	11
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	43	36
Interest on pension liabilities	(76)	(75)
Pension finance income/(costs)	(33)	(39)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £198,000 gain (2013: £3,000 gain).

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

	2014 £'000	2013 £000
At 1 September	1,597	1,298
Current service cost	128	125
Interest cost	76	75
Employee contributions	36	38
Actuarial (gain)/loss	(112)	61
Curtailments	30	-
Benefits/transfers paid	(51)	-
At 31 August	1,704	1,597

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

26 Pension and similar obligations (continued)

Local government pension scheme (continued)

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

	2014	2013
	£'000	£000
At 1 September	730	478
Expected return on assets	43	36
Actuarial gain/(loss)	89	58
Employer contributions	120	120
Employee contributions	36	38
Benefits/transfers paid	(51)	-
At 31 August	967	730

The estimated value of employer contributions for the year ended 31 August 2015 is £110,000.

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

	2014	2013
	£000	£000
Present value of defined benefit obligations	(1,704)	(1,597)
Fair value of share of scheme assets	967	730
Surplus/(deficit) in the scheme	(737)	(867)
Experience adjustments on share of scheme assets	89	58
Experience adjustments on scheme liabilities	98	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

27 Conversion to an Academy Trust

The following table sets out the fair values of the identifiable assets and liabilities that were transferred on conversion and an analysis of their recognition in the SOFA for the period ended 31 August 2013:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Freehold land and buildings	-	-	3,585,000	3,585,000
Budget surplus/(deficit) on LA funds	56,746	-	-	56,746
Budget surplus/(deficit) on other school funds	4,000	-	-	4,000
LGPS pension surplus/(deficit)	-	(820,000)	-	(820,000)
Net assets/(liabilities)	60,746	(820,000)	3,585,000	2,825,746

The above net assets include £60,746 that was transferred as cash.