

THE PIONEER ACADEMY

(A Company Limited by Guarantee)

ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

Company Registration Number:

07691324 (England & Wales)

THE PIONEER ACADEMY

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THE PIONEER ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2014

Directors and Trustees	Nicholas Beal - Chairman Carole Hitchens Lee Mason-Ellis Gillian Mallard (resigned 1/9/2014) Rev. Robert Radcliffe (appointed 30/9/2014) Jo Lakey (appointed 25/11/2014) Doug Robinson (appointed 25/11/2014) Jack Sawyer (appointed 17/12/2014)	
Academy Schools	Stewart Fleming Primary School (SFS) Witham Road Anerley SE20 7YB	Belvedere Junior School (BJS) Mitchell Close Belvedere Kent DA17 6AA
Company Secretary	Anne Slade	
Senior Management Team: - Executive Head Teacher - Heads of Schools	Lee Mason-Ellis Nicola Crockatt (SFS)	Sarah Moncaster (BJS)
Registered Office	Stewart Fleming Primary School Witham Road Anerley SE20 7YB	
Company Registration Number	07691324 (England & Wales)	
Independent Auditor	Simpson Wreford & Partners Chartered Accountants Suffolk House George Street Croydon CR0 0YN	
Bankers	Lloyds TSB 6-8 Market Square Bromley Kent BR1 1NA	
School governors	Councillor R Adams (SFS) N Beal (SFS) C Campbell (SFS) N Crockatt (SFS) E Dawes (SFS) M Gates (SFS) C Hogarth (SFS) PI Keown (SFS) R Loveday (SFS) G Mallard (SFS) L Mason-Ellis (SFS/BJS) S Niechcial (SFS) J Pepper (SFS) R Preston-Broom (SFS) J Sawyer (SFS) A Weekes (SFS)	A Bhogal (BJS) A Clark (BJS) N Edwards (BJS) J Fox (SFS/BJS) L Hawkins (BJS) M Hill (BJS) P Kalsi (BJS) R Lomax (BJS) S Moncaster (BJS) D Nwadikeuruibe (BJS) R Radcliffe (BJS)

THE PIONEER ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their report together with the audited financial statements of the Academy for the year ended 31 August 2014.

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution

The Academy was incorporated on 4 August 2011 and became operational immediately.

The Academy is a company limited by guarantee with no share capital (registration number 07691324). The company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Articles of Association require the members of the charitable company to appoint at least three trustees to be responsible for the statutory accounts and constitutional affairs of the charitable company and the management of the company.

The trustees who were in office and served throughout the year (except where shown) are listed on page 1, as well as governors to the individual schools who have been appointed to assist the trustees in carrying out their governance of the Academy.

The Financial statements consolidate both the figures for Stewart Fleming Primary School and Belvedere Junior School.

Members' liability

Each member of the 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.

Trustees and governors indemnities

Trustees' and governors' liability is covered under the Academy's comprehensive insurance policy.

Principal activity

The principal activity of the charitable company is the operation of The Pioneer Academy to provide education for pupils of different abilities between the ages of 5 and 11.

Method of recruitment and appointment of election of governors

The trustees are appointed under the terms of the Academy's Articles of Association and are subject to retirement after four years, but are eligible for reappointment at the meeting at which they retire.

Policies and procedure adopted for the induction and training of governors

During the year under review the Board of governors met once each term. The training and induction provided for new governors will depend on their existing experience. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role either as trustees and directors of the company, or governors to the individual school within the trust.

Organisational structure

The charitable company has established a management structure to enable its efficient running, which include two separate governing bodies for each school. The governing bodies have considered their roles thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the charitable company and monitor its progress towards these objectives.

The governing bodies have approved policies which set out the system of internal control, responsibilities, a scheme of delegation and terms of reference.

Trustees and governors are responsible for setting out general policy, adopting an annual plan and budget, monitoring the charitable company by use of budgets and making major decisions about the direction of the charitable company, including capital expenditure and senior staff appointments.

THE PIONEER ACADEMY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

Risk management

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

Principal risks and uncertainties

The major risks to which the Academy Trust are exposed are:

- Shortfalls in funding which have not been anticipated
- Changes in the funding formulas, and
- Falling roll

OBJECTIVES AND AIMS

Schools vision

At The Pioneer Academy we are committed to provide an inspiring and inclusive environment linking to local, national and global communities. We actively encourage and develop independent life long learners who are able to fulfil their dreams and aspirations.

Our Mantra - P RACES

Positivity - Staff have a responsibility to be positive in their relationships with pupils and supportive of each other.

Rigour - We have a responsibility to ensure every moment a child is in our school will be spent productively. Through thorough use of evidence we will enable all children to make excellent progress.

Aspiration - Our motto is "And the main thing is learning." All members of staff aim to promote an extraordinary school day to develop independence and creativity.

Commitment - We put children first.

Energy - Staff are prepared to go the extra mile to provide the best possible education for their pupils. Our aim should always be to provide for the pupils of our school what we would want for our own children.

Standards - We will maintain a relentless focus on raising standards of achievement so that all pupils have opportunities to achieve their full potential. We expect all staff to maintain the highest professional standards at all times.

Public benefit

In setting objectives, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

THE PIONEER ACADEMY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Introduction

2013/14 has been a successful year for The Pioneer Academy; not only have our two schools continued to improve but as a MAT we supported a third school which was in special measures for the entirety of the year (St John's CE Primary School, Bromley).

Stewart Fleming Primary School was graded as an outstanding educational establishment by the Challenge Partner Review, which was led by a registered Ofsted inspector. The school (Raise Online) had a value added for 2014 of 102.5 - percentile rank 2. This is the fourth year that the schools' progress measure has been above 101 which is significantly above other schools nationally.

Belvedere Junior School achieved some of its highest ever attainment levels at level 4 and 5, being above national and achieving an APS average of 28.8. Through a bought-in inspection, led by a current Ofsted inspector, the school was graded as good and is fully prepared for the next full Ofsted inspection that is due at any time.

The Pioneer Academy had been approached to support a failing school within Bromley (St John's CE Primary School) in which we led the school through two highly successfully HMI visits before the school was sponsored by Rochester Diocesan Multi-Academy Trust from April 2014 - at which point we began to withdraw our leadership and hand back the school to the new Trust.

We will continue to strive to improve The Pioneer Academy and ultimately this is down to everyone who is in our community - teachers, support staff, parents and governors, who all have their part in making these such great places for our children to come to.

Committee reports

The Pioneer Academy's Governing Bodies meet regularly to ensure that each school is meeting the objectives of the development plan and take key decisions relating to the operation of the schools.

In addition, 3 committees undertake a range of responsibilities to ensure that the Governing Bodies are kept fully informed of the schools' performance and that the key decisions are suitably informed.

Resource committee

The Resources Committee is responsible for monitoring aspects relating to finance, staff and buildings.

This year our priorities have been ensuring financial sustainability for both of our schools, ensuring value for money in every aspect. This has meant that certain departments have been streamlined and others have had additional support granted. We have also invested in infrastructure in both schools such as IT and the insulation of buildings with double-glazing windows. We have also been able to allocate funds for future projects which will have a significant impact on all of our pupils in the years ahead. These projects will commence in the year 2014-15.

Pupils, parents and community committee

The purpose of this committee is to ensure that the schools provides a fair, safe and purposeful environment in which all stakeholders can learn, are safe and benefit positively from their involvement with the schools. This is done through the rigorous monitoring and evaluation of relevant school policies, the School Development Plan and through focussed visits from governors.

In the academic year 2012-2013, apart from our on-going statutory requirements with regard to safeguarding and ensuring equality of opportunity for all, we have looked particularly closely at the effective use of government funding through the Pupil Premium. This is to ensure that the most 'vulnerable' children in our schools enjoy equal access to the curriculum and are therefore able to learn and make progress at the same rate as other children. In addition we have looked at, and continue to evaluate, how we can best provide for the more academically able learners in our schools. We are conscious that we have a duty to ensure they are also making sustained progress throughout their time with us.

THE PIONEER ACADEMY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

Achievement and curriculum committee

The prime function of this committee is to monitor the schools against local and national data to ensure high standards of achievement. We monitor and evaluate the achievement and progress children make, and the overall effectiveness of the schools.

We particularly monitor the progress of children with a wide variety of needs, e.g. those with a statement of Special Educational Needs, on free school meals, looked after children, young carers, those with a child protection plan and the more able. We regularly receive progress reports for the whole school following the termly assessment week and the end of year results.

On the curriculum side we have a rolling review programme for curriculum policies. We also monitor the Teaching and Learning Policy and the Assessment Policy, the race equality plan and English as an additional language (EAL) provision. We also receive reports on how staff are deployed including the additional support given to individuals and small groups of children.

Academic performance

Whilst the governors review a wide range of performance measures, the SAT results at key stage 2 have the highest profile in how the school is judged and are therefore included here for reference.

Attainment at Key Stage 2 - % of children at level 4 and 5						
	Reading		Writing		Mathematics	
	L4+	L5+	L4+	L5+	L4+	L5+
Stewart Fleming Primary School	100	60	94	32	98	48
Belvedere Junior School	99	53	88	20	89	45
National	89	49	83	33	86	42

FINANCIAL REVIEW

The charitable company was incorporated on 4 July 2011 and commenced operating as an Academy school immediately. On incorporation the assets of The Stewart Fleming Primary School were transferred to The Pioneer Academy. On 1st April 2013 Belvedere Junior School converted to Academy status and the assets of the school were transferred to The Pioneer Academy.

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

The Academy also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in the pension deficit in future, although this may not be achieved until the stock market investment values start to recover.

THE PIONEER ACADEMY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

Reserves policy

The level of reserves held takes into account the nature of the income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors keep the level of reserves under review.

Reserves at 31 August 2014, including land and buildings, amounted to £7,698,402.

Plans for the future

The Pioneer Academy was once again approached by London Borough of Bexley Education Department to support a "coasting" RI school - Burnt Oak Junior School. Since September 2014, Pioneer Senior Leaders and Teachers have taken key leadership roles within the school and are already making a significant impact on pupil progress with the view that the school will be a sponsored convertor by April 2015

Auditors

The auditors, Simpson Wreford & Partners, are willing to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Statement of disclosure of information to auditors

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the board of trustees on 17th December 2014 and signed on its behalf by



Mr Nicholas Beal
Chairman

THE PIONEER ACADEMY

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that The Pioneer 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 bodies have 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 The Pioneer Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees Responsibilities. The Governing Body has formally met four times during the year for a full board meeting. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of possible
Nicholas Beal	4	4
Carole Hitchens	4	4
Gillian Mallard	1	4
Lee Mason-Ellis	4	4

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Pioneer Academy for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

The 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 Simpson Wreford & Partners, the external auditor, to perform additional checks. The auditors role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

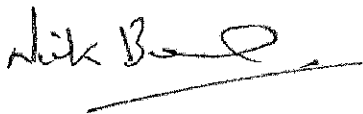
Review of effectiveness

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 auditor;
- the financial management and governance of self assessment processes;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 17th December 2014 and signed on its behalf by



Mr Nicholas Beal
Chairman



Mr Lee Mason-Ellis
Executive Head Teacher

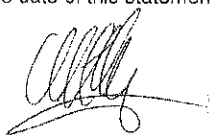
THE PIONEER ACADEMY

**STATEMENT OF REGULARITY PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014**

As accounting officer of The Pioneer Academy I have considered my responsibility to notify the academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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 the EFA.



Mr Lee Mason-Ellis
Principal

Date: 17th December 2014

THE PIONEER ACADEMY

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2014

The trustees (who act as trustees for charitable activities of The Pioneer Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable laws 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 of its incoming resources and application of resources, including its income and expenditure, for that year. In preparing these financial statements, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 17th December 2014 and signed on its behalf by



Mr Nicholas Beal
Chairman

THE PIONEER ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PIONEER ACADEMY

We have audited the financial statements of The Pioneer Academy for the year ended 31 August 2014 set out on pages 13 to 33. The financial report framework that has been applied in their preparation is applicable law, United Kingdom Accounting Statements (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 to 14 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statement 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 financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private/cfm.

Opinion on financial statements

In our opinion the financial statements

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

Opinion on other matter prescribed by the Companies Act 2006

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

THE PIONEER ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
PIONEER ACADEMY

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees 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 directors' report.



Alasdair Weaks (Senior Statutory Auditor)
For and on behalf of **SIMPSON WREFORD & PARTNERS**
Chartered Accountants and Statutory Auditors
Suffolk House
George Street
Croydon
CR0 0YN

Date: 17th December 2014

THE PIONEER ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2014 Total Funds £	2013 Total Funds £
Incoming resources						
Incoming resources from generated funds:						
- Voluntary income	3	1,025	-	-	1,025	1,095
- Assets transferred from predecessor school	3	-	-	-	-	2,897,179
- Activities for generating funds	4	389,747	-	-	389,747	260,005
- Investment income	5	757	-	-	757	407
Incoming resources from charitable activities						
- Funding for educational operations	6	-	3,236,377	132,219	3,368,596	2,227,703
Total incoming resources		391,529	3,236,377	132,219	3,760,125	5,386,389
Resources expended						
Charitable activities						
- Academy's educational operations	8	197,601	3,054,390	169,879	3,421,870	2,423,978
Governance costs	9	-	40,705	-	40,705	35,784
Total resources expended	7	197,601	3,095,095	169,879	3,462,575	2,459,762
Net incoming/(outgoing) resources before transfers		193,928	141,282	(37,660)	297,550	2,926,627
Gross transfers between funds	17	-	-	-	-	-
Net income/(expenditure) for the year		193,928	141,282	(37,660)	297,550	2,926,627
Other recognised gains and losses						
Defined benefit pension scheme liability inherited on conversion						
	25	-	-	-	-	(283,000)
Actuarial gains / (losses) on defined benefit pension scheme						
	18 & 25	-	19,000	-	19,000	86,000
Net movement in funds		193,928	160,282	(37,660)	316,550	2,729,627
Reconciliation of funds						
Total funds brought forward as at 1 September 2013		262,387	(319,590)	7,439,055	7,381,852	4,652,225
Net movement in funds and funds carried forward at 31 August 2014		456,315	(159,308)	7,401,395	7,698,402	7,381,852

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

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

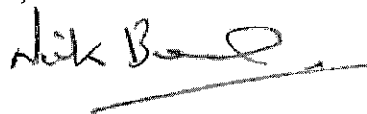
THE PIONEER ACADEMY

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2014

COMPANY NUMBER: 07691324

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Tangible assets	14		7,562,447		7,427,714
Current assets					
Debtors	15	218,094		121,520	
Cash at bank and in hand		<u>561,072</u>		<u>426,937</u>	
		779,166		548,457	
Creditors: Amounts falling due within one year	16	<u>(245,211)</u>		<u>(190,319)</u>	
Net current assets			533,955		358,138
Total assets less current liabilities			8,096,402		7,785,852
Net assets excluding pension liability			8,096,402		7,785,852
Pension scheme liability	25		<u>398,000</u>		<u>404,000</u>
Net assets including pension liability			<u>7,698,402</u>		<u>7,381,852</u>
Funds of the academy:					
Restricted funds					
- General fund	17		238,692		84,410
- Fixed asset fund	17		7,401,395		7,439,055
- Pension reserve	17		<u>(398,000)</u>		<u>(404,000)</u>
Total restricted funds			<u>7,242,087</u>		<u>7,119,465</u>
Unrestricted funds					
- General fund	17		<u>456,315</u>		<u>262,387</u>
Total unrestricted funds			<u>456,315</u>		<u>262,387</u>
Total funds			<u>7,698,402</u>		<u>7,381,852</u>

The financial statements on pages 14 to 33 were approved by the trustees and authorised for issue on 17th December 2014 and are signed on their behalf by:



Mr Nicholas Beal
Chairman

THE PIONEER ACADEMY

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	20	305,771	283,001
Returns on investments and servicing of finance	21	757	407
Capital expenditure	22	(172,393)	8,663
Increase/(decrease) in cash in the year	23	134,135	292,071
Reconciliation of net cash flow to movement in net funds			
Net funds at 31 August 2013		426,937	134,866
Net funds at 31 August 2014		561,072	426,937

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

Going Concern

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

Incoming Resources

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

- **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the unrestricted 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 sheet in the restricted fixed asset fund.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust, which amounts to a donation, is recognised in the Statement of Financial Activities in the year in which it is receivable where there is certainty of receipt.

- **Donations**

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

- **Other income**

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

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

- **Costs of generating funds**
These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.
- **Charitable activities**
These are costs incurred on the Academy Trust's educational operations.
- **Governance costs**
These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

Tangible Fixed Assets

Tangible fixed assets 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 Trust'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 or reducing balance basis over its expected useful lives, as follows:

Freehold property - land	Not depreciated
Freehold property - buildings	50 years straight line method
Long leasehold property - land	Not depreciated
Long leasehold property - buildings	50 years straight line method
Fixtures, fittings and equipment	10 years straight line method
ICT equipment	3 years straight line method

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.

Taxation

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

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 Trust 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 Trust.

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

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency where the assets acquired are held for a specific purpose.

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

THE PIONEER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust 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.

No academies within the trust exceeded the limits during the year ended 31 August 2014.

3. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Assets transferred from predecessor school				
Leasehold Property	-	-	-	2,700,000
Fixtures and equipment	-	-	-	109,582
Equipment and ICT	-	-	-	12,730
Bank balances	-	-	-	74,867
	-	-	-	2,897,179
Other voluntary income				
Sundry income, including raffles, tuck-shop and a book fair	158	-	158	-
Other donations	867	-	867	1,095
	1,025	-	1,025	79,350

4. Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Hire of facilities	5,426	-	5,426	120
Catering income	73,444	-	73,444	57,081
Before/After school clubs	156,983	-	156,983	105,116
Sale of materials	4,339	-	4,339	2,780
Other	124,770	-	124,770	78,255
Educational visit income	24,785	-	24,785	16,653
	389,747	-	389,747	260,005

THE PIONEER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

5. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Bank interest	757	-	757	407
	<u>757</u>	<u>-</u>	<u>757</u>	<u>407</u>

6. Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
DfE/EFA capital grant				
- Devolved Formula Capital	-	15,324	15,324	15,425
- Other Capital Grants	-	116,895	116,895	-
	<u>-</u>	<u>132,219</u>	<u>132,219</u>	<u>15,425</u>
DfE/EFA revenue grants				
- General Annual Grant (GAG)	-	2,728,121	2,728,121	1,737,319
- Other DfE/EFA grants	-	483,279	483,279	466,559
	<u>-</u>	<u>3,211,400</u>	<u>3,211,400</u>	<u>2,203,878</u>
Other revenue grant	-	24,977	24,977	8,400
	<u>-</u>	<u>3,368,596</u>	<u>3,368,596</u>	<u>2,227,703</u>

COMPRISED:

Stewart Fleming Primary School

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
DfE/EFA capital grant				
- Devolved Formula Capital	-	8,095	8,095	8,039
- Other Capital grants	-	6,250	-	-
	<u>-</u>	<u>8,095</u>	<u>8,095</u>	<u>8,039</u>
DfE/EFA revenue grants				
- General Annual Grant (GAG)	-	1,454,417	1,454,417	1,191,721
- Other DfE/EFA grants	-	266,696	266,696	282,614
	<u>-</u>	<u>1,721,113</u>	<u>1,721,113</u>	<u>1,474,335</u>
Other grant	-	13,142	13,142	8,400
	<u>-</u>	<u>1,742,350</u>	<u>1,742,350</u>	<u>1,490,774</u>

Belvedere Junior School

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
DfE/EFA capital grant				
- Devolved Formula Capital	-	7,229	7,229	7,386
- Other Capital grants	-	116,645	116,645	-
	<u>-</u>	<u>123,874</u>	<u>123,874</u>	<u>7,386</u>
DfE/EFA revenue grants				
- General Annual Grant (GAG)	-	1,273,704	1,273,704	545,598
- Other DfE/EFA grants	-	216,833	216,833	183,945
	<u>-</u>	<u>1,490,537</u>	<u>1,490,537</u>	<u>729,543</u>
Other grant	-	11,835	11,835	-
	<u>-</u>	<u>11,835</u>	<u>11,835</u>	<u>-</u>
	<u>-</u>	<u>1,626,246</u>	<u>1,626,246</u>	<u>763,929</u>

THE PIONEER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

7. Resources Expended

Summary by expenditure type

	Staff Costs £	Premises £	Other Costs £	Total 2014 £	Total 2013 £
Academy's educational operations					
- Direct costs	2,548,637	169,879	355,347	3,073,863	2,126,279
- Allocated support costs	3,937	306,367	37,703	348,007	297,699
	<u>2,552,574</u>	<u>476,246</u>	<u>393,050</u>	<u>3,421,870</u>	<u>2,423,978</u>
Governance costs including allocated support costs	-	-	40,705	40,705	35,784
	<u>2,552,574</u>	<u>476,246</u>	<u>433,755</u>	<u>3,462,575</u>	<u>2,459,762</u>

COMPRISED:

Academy's educational operations

	Staff Costs £	Premises £	Other Costs £	Total 2014 £	Total 2013 £
Stewart Fleming Primary School	1,425,482	304,213	196,028	1,925,723	1,745,560
Belvedere Junior School	1,127,092	172,033	197,022	1,496,147	678,418
	<u>2,552,574</u>	<u>476,246</u>	<u>393,050</u>	<u>3,421,870</u>	<u>2,423,978</u>

Incoming/outgoing resources for the year include:

	Stewart Fleming Primary School £	Belvedere Junior School £	Total 2014 £	Total 2013 £
Operating leases	9,596	3,484	13,080	3,510
Fees payable to auditor - audit of August 2014 financial statements	5,000	5,000	10,000	9,000
Fees payable to auditor - audit of March 2014 financial return	6,000	6,000	12,000	-
Fees payable to auditor - other services	2,873	7,250	10,123	7,030
	<u>23,469</u>	<u>21,734</u>	<u>45,203</u>	<u>19,540</u>

8. Charitable Activities - Academy's educational operations

Summary by fund type

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Direct costs				
Teaching and educational support staff costs	-	2,525,521	2,525,521	1,746,070
Depreciation	-	169,879	169,879	136,618
Educational supplies	-	122,595	122,595	58,216
Staff development	-	23,116	23,116	12,158
Other direct costs	84,069	148,683	232,752	173,217
	<u>84,069</u>	<u>2,989,794</u>	<u>3,073,863</u>	<u>2,126,279</u>
Allocated support costs				
Support staff costs	-	3,937	3,937	8,542
Maintenance of premises and equipment	-	38,189	38,189	70,743
Cleaning	-	25,090	25,090	22,665
Rent and rates	-	42,873	42,873	50,530
Insurance	-	44,262	44,262	30,503
Security and transport	-	4,999	4,999	4,710
Catering	113,532	42,421	155,953	92,966
Other support costs	-	32,704	32,704	17,040
	<u>113,532</u>	<u>234,475</u>	<u>348,007</u>	<u>297,699</u>
	<u>197,601</u>	<u>3,224,269</u>	<u>3,421,870</u>	<u>2,423,978</u>

THE PIONEER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

8. Charitable Activities - Academy's educational operations (continued)

Summary by academy

	Stewart Fleming Primary School £	Belvedere Junior School £	Total 2014 £	Total 2013 £
Direct costs				
Teaching and educational support staff costs	1,413,153	1,112,368	2,525,521	1,746,070
Depreciation	124,322	45,557	169,879	136,618
Educational supplies	73,149	49,446	122,595	58,216
Staff development	12,329	10,787	23,116	12,158
Other direct costs	107,313	125,439	232,752	173,217
	<u>1,730,266</u>	<u>1,343,597</u>	<u>3,073,863</u>	<u>2,126,279</u>
Allocated support costs				
Support staff costs	-	3,937	3,937	8,542
Maintenance of premises and equipment	29,039	9,150	38,189	70,743
Cleaning	21,135	3,955	25,090	22,665
Rent and rates	22,178	20,695	42,873	50,530
Insurance	26,891	17,371	44,262	30,503
Security and transport	3,610	1,389	4,999	4,710
Catering	80,648	75,305	155,953	92,966
Other support costs	11,956	20,748	32,704	17,040
	<u>195,457</u>	<u>152,550</u>	<u>348,007</u>	<u>297,699</u>
	<u>1,925,723</u>	<u>1,496,147</u>	<u>3,421,870</u>	<u>2,423,978</u>

9. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	8,582	8,582	19,754
Auditors remuneration				
- Audit of August 2014 financial statements	-	10,000	10,000	9,000
- Audit of March 2014 financial return	-	12,000	12,000	-
- Other services	-	10,123	10,123	7,030
	<u>-</u>	<u>40,705</u>	<u>40,705</u>	<u>35,784</u>

The academy prepared audited financial information for the year ended 31 March 2014, as part of a comparison study ordered by the EFA, and received funding from them to cover all audit costs incurred.

10. Central Services

The academy trust has not provided central services to its academies during the year as cost were incurred directly by each academy.

11. Staff costs

Staff costs during the year were:

	2014 £	2013 £
Wages and salaries	2,049,922	1,531,477
Social security costs	135,867	97,608
Pension costs	301,359	101,000
	<u>2,487,148</u>	<u>1,730,085</u>
Staff development costs	23,116	12,158
Supply teacher costs	38,373	15,985
	<u>2,548,637</u>	<u>1,758,228</u>

THE PIONEER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

11. Staff costs (continued)

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

	2014 No.	2013 No.
Charitable Activities		
Teachers	37	29
Administration and support	39	39
Management	3	4
	79	72

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

	2014 No.	2013 No.
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-
	1	1

The above employee participated in the Teachers' Pension Scheme during the year ended 31 August 2014. Pension contributions for this staff member amounted to £11,305.

12. Trustees' remuneration and expenses

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments in respect of their role as trustees. The value of the trustees remuneration was as follows

L Mason Ellis	£90,000 - £95,000	(2013: £80,000 - £85,000)
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Related party transactions involving the trustees are set out in note 26.

13. Governors' and officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance for the year was £1,581 and is included in the total insurance cost.

14. Tangible Fixed Assets

	Freehold Land and Buildings £	Long Leashold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total 2014 £
Cost					
At 1 September 2013	4,379,367	2,700,000	494,582	108,831	7,682,780
Additions	-	113,974	91,622	99,016	304,612
Disposals	-	-	-	-	-
At 31 August 2014	4,379,367	2,813,974	586,204	207,847	7,987,392
Depreciation					
At 1 September 2013	100,336	9,583	81,566	63,581	255,066
Charge for the year	50,168	24,330	53,285	42,096	169,879
Disposals	-	-	-	-	-
At 31 August 2014	150,504	33,913	134,851	105,677	424,945
Net book values					
At 31 August 2014	4,228,863	2,780,061	451,353	102,170	7,562,447
At 31 August 2013	4,279,031	2,690,417	413,016	45,250	7,427,714

Additions in the previous financial period were £2,829,074 and the depreciation charge was £136,618.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

15. Debtors

	2014	2013
	£	£
Trade debtors	16,873	10,189
Prepayments	143,698	101,764
Other debtors	57,523	9,567
	<u>218,094</u>	<u>121,520</u>

16. Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	99,907	10,682
Other taxation and social security	78,709	72,190
Accruals and deferred income	66,595	107,447
	<u>245,211</u>	<u>190,319</u>

17. Funds

	Balance at 31 August 2013 £	Incoming Resources £	Resources Expended £	Gains Losses and Transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	38,866	2,711,583	(2,511,757)	-	238,692
Insurance Grant	-	13,720	(13,720)	-	-
Rates Grant	-	2,818	(2,818)	-	-
Other DfE/EFA grants	45,544	483,279	(528,823)	-	-
Other government grants	-	24,977	(24,977)	-	-
	<u>84,410</u>	<u>3,236,377</u>	<u>(3,082,095)</u>	<u>-</u>	<u>238,692</u>
Pension Scheme liability	(404,000)	-	(13,000)	19,000	(398,000)
	<u>(319,590)</u>	<u>3,236,377</u>	<u>(3,095,095)</u>	<u>19,000</u>	<u>(159,308)</u>
Restricted fixed asset funds					
Exceptional donation on conversion	7,414,880	-	(153,463)	-	7,261,417
Devolved Capital Formula	24,175	15,324	(15,152)	-	24,347
Other Capital Grant	-	116,895	(1,264)	-	115,631
	<u>7,439,055</u>	<u>132,219</u>	<u>(169,879)</u>	<u>-</u>	<u>7,401,395</u>
Total restricted funds	<u>7,119,465</u>	<u>3,368,596</u>	<u>(3,264,974)</u>	<u>19,000</u>	<u>7,242,087</u>
Unrestricted funds					
Unrestricted funds	262,387	391,529	(197,601)	-	456,315
Total unrestricted funds	<u>262,387</u>	<u>391,529</u>	<u>(197,601)</u>	<u>-</u>	<u>456,315</u>
Total funds	<u>7,381,852</u>	<u>3,760,125</u>	<u>(3,462,575)</u>	<u>19,000</u>	<u>7,698,402</u>

THE PIONEER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

17. Funds (continued)

Stewart Fleming Primary School

	Balance at 31 August 2013 £	Incoming Resources £	Resources Expended £	Gains Losses and Transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	-	1,443,619	(1,331,707)	-	111,912
Insurance Grant	-	7,980	(7,980)	-	-
Rates Grant	-	2,818	(2,818)	-	-
Other DfE/EFA grants	-	266,446	(266,446)	-	-
Other government grants	-	13,142	(13,142)	-	-
	-	1,734,005	(1,622,093)	-	111,912
Pension Scheme liability	(144,000)	-	3,000	17,000	(124,000)
	(144,000)	1,734,005	(1,619,093)	17,000	(12,088)
Restricted fixed asset funds					
Exceptional donation on conversion	4,609,726	-	(113,993)	-	4,495,733
Devolved Capital Formula	15,548	8,095	(10,329)	-	13,314
Other capital grant	-	6,250	-	-	6,250
	4,625,274	14,345	(124,322)	-	4,515,297
Total restricted funds	4,481,274	1,748,350	(1,743,415)	17,000	4,503,209
Unrestricted funds					
Unrestricted funds	206,813	333,617	(116,505)	-	423,925
Total unrestricted funds	206,813	333,617	(116,505)	-	423,925
Total funds	4,688,087	2,081,967	(1,859,920)	17,000	4,927,134

THE PIONEER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

17. Funds (continued)

Belvedere Junior School

	Balance at 31 August 2013 £	Incoming Resources £	Resources Expended £	Gains Losses and Transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	38,866	1,267,964	(1,180,050)	-	126,780
Insurance Grant	-	5,740	(5,740)	-	-
Rates Grant	-	-	-	-	-
Other DfE/EFA grants	45,544	216,833	(262,377)	-	-
Other government grants	-	11,835	(11,835)	-	-
	84,410	1,502,372	(1,460,002)	-	126,780
Pension Scheme liability	(260,000)	-	(16,000)	2,000	(274,000)
	(175,590)	1,502,372	(1,476,002)	2,000	(147,220)
Restricted fixed asset funds					
Exceptional donation on conversion	2,806,395	-	(39,470)	-	2,766,925
Devolved Capital Formula	7,386	7,229	(4,823)	-	9,792
Other capital grant	-	110,645	(1,264)	-	109,381
	2,813,781	117,874	(45,557)	-	2,886,098
Total restricted funds	2,638,191	1,620,246	(1,521,559)	2,000	2,738,878
Unrestricted funds					
Unrestricted funds	55,574	57,912	(81,096)	-	32,390
Pension reserve	-	-	-	-	-
Total unrestricted funds	55,574	57,912	(81,096)	-	32,390
Total funds	2,693,765	1,678,158	(1,602,654)	2,000	2,771,268

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

Restricted General Fund - This fund is for income and expenditure relating to the running of the Academy.

Restricted Fixed Asset Fund - This fund relates to the income which is contributed towards the purchase of assets and any relating expenses.

Unrestricted Fund - This fund is for any income and expenditure not relating to either of the above funds.

THE PIONEER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

18. Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	161,052	-	7,401,395	7,562,447
Current assets	320,326	458,840	-	779,166
Current liabilities	(25,063)	(220,148)	-	(245,211)
Pension scheme liability	-	(398,000)	-	(398,000)
Total net assets	456,315	(159,308)	7,401,395	7,698,402

19. Financial commitments

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

	2014 £	2013 £
<u>Other</u>		
Expiring with one year	187	1,435
Expiring within two and five years inclusive	3,295	-
Expiring in over five years	-	-
	3,482	1,435

20. Reconciliation of net income to net cash inflow from operating activities

	2014 £	2013 £
Net income	297,550	2,926,627
Exceptional income on conversion	-	(2,897,179)
Bank balances, debtors and creditors transferred on conversion	-	74,867
Depreciation (note 14)	169,879	136,618
Capital grants from DfE and other capital income	(132,219)	(15,425)
Interest receivable (note 5)	(757)	(407)
FRS 17 pension cost less contributions payable (note 25)	4,000	44,000
FRS 17 pension finance income (note 25)	9,000	(17,000)
(Increase)/decrease in debtors	(96,574)	(64,363)
Increase/(decrease) in creditors	54,892	95,263
Net cash inflow from operating activities	305,771	283,001

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

21. Returns on investments and servicing of finance

	2014 £	2013 £
Interest received	757	407
Net cash inflow from returns on investment and servicing of finance	757	407

22. Capital expenditure and financial investment

	2014 £	2013 £
Purchase of tangible fixed assets	(304,612)	(6,762)
Capital grants from DfE/EFA	132,219	15,425
Net cash inflow from capital expenditure and financial investment	(172,393)	8,663

23. Analysis of changes in net funds

	At 31 August 2013 £	Cash flows £	At 31 August 2014 £
Cash in hand and at bank	426,937	134,135	561,072
	426,937	134,135	561,072

24. Members' Liability

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

25. Pension and 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 London Borough of Bromley Pension Fund for Stewart Fleming Primary School and The London Borough of Bexley Pension Fund for Belvedere Junior School. 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 2012 and of the LGPS 31 March 2013

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

25. Pension and Similar obligations (continued)

Teachers Pension Scheme

Introduction

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension 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' Pension Regulations require an annual account to be kept of receipts and expenditure (including the cost of pension 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

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

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Services 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 asset 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.

THE PIONEER ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

25. Pension and Similar obligations (continued)

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies. 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 ten 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 2014-2015. The increases were to be 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 now 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 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 £147,304, of which employer's contributions totalled £115,022 and employees' contributions totalled £32,282. The agreed contribution rates for future years are 21.74% for employers and 6.1% 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.

Principal Actuarial Assumptions (at end of period where appropriate)	Stewart Fleming	Belvedere	Stewart Fleming	Belvedere
	Primary School	Junior School	Primary School	Junior School
	2014	2014	2013	2013
Rate of increase in salaries	4.80%	3.90%	4.80%	3.90%
Rate of increase for pensions in payment / inflation	2.50%	2.40%	2.50%	2.40%
Discount rate for scheme liabilities	4.80%	4.50%	4.80%	4.50%
Inflation assumption (CPI)	2.50%	2.40%	2.50%	2.40%

THE PIONEER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

25. Pension and Similar obligations (continued)

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

	Stewart Fleming Primary School 2014	Belvedere Junior School 2014	Stewart Fleming Primary School 2014	Belvedere Junior School 2014
<i>Retiring today</i>				
Males	23	23	23.1	22.3
Females	25.4	25.4	26.5	24.9
<i>Retiring in 20 years</i>				
Males	25.3	25.3	25.1	24.2
Females	28.3	28.3	28.5	26.9

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

	Expected return 31 August 2014	Fair value at 31 August 2014 £	Expected return 31 August 2013 £	Fair value at 31 August 2013
Equities	7.00%	450,000	7.00%	398,000
Gilts	3.40%	-	3.40%	15,000
Other bonds	4.40%	88,000	4.40%	60,000
Cash	0.50%	4,000	0.50%	9,000
Property	5.70%	35,000	5.70%	24,000
Other	7.00%	101,000	7.00%	67,000
Total market value of the assets		<u>678,000</u>		<u>573,000</u>
Present value of the scheme liabilities		(1,076,000)		(977,000)
Surplus/(deficit) in the scheme		<u>(398,000)</u>		<u>(404,000)</u>

The expected return on assets is based on long term future expected investment return for each asset class as at the beginning of the year. The return on gilts and other bonds is assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities is then assumed to be a margin above gilt yields.

The actual return on the scheme assets was £64,000 (2013: £42,000)

THE PIONEER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

25. Pension and Similar obligations (continued)

Amounts recognised in the statement of financial activities

	2014 £	2013 £
Current service cost (net of employee contributions)	119,000	93,000
Total operating charge	<u>119,000</u>	<u>93,000</u>

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	39,000	17,000
Interest on pension liabilities	(48,000)	(25,000)
Pension finance income / (costs)	<u>(9,000)</u>	<u>(8,000)</u>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £60,000 gain (2013: £41,000 gain)

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

	2014 £	2013 £
At 1 August 2013	977,000	372,000
Transfer in from Belvedere Junior School on conversion to academy status	-	522,000
Current service cost	119,000	93,000
Interest cost	48,000	25,000
Employee contributions	33,000	20,000
Actuarial gain	(101,000)	(55,000)
At 31 August 2014	<u>1,076,000</u>	<u>977,000</u>

THE PIONEER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

25. Pension and Similar obligations (continued)

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

	2014 £	2013 £
At 1 August 2013	334,000	192,000
Transfer in from Belvedere Junior School on conversion to academy status	239,000	239,000
Expected return on assets	39,000	17,000
Actuarial gain/(loss)	(82,000)	31,000
Employer contributions	115,000	74,000
Employee contributions	33,000	20,000
At 31 August 2014	<u>678,000</u>	<u>573,000</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £115,000 (2013: £74,000)

The four year history of experience adjustments is as follows:

	2014 £	2013 £	2012 £	2011 £
Present value of defined benefit obligations	1,076,000	977,000	894,000	232,000
Fair value of share of scheme assets	678,000	573,000	431,000	106,000
Deficit in the scheme	<u>(398,000)</u>	<u>(404,000)</u>	<u>(463,000)</u>	<u>(126,000)</u>
Experience adjustments on share of scheme assets	(82,000)	37,000	6,000	-
Experience adjustments on share of scheme liabilities	147,000	-	-	-

26. Related Party Transactions

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

THE PIONEER ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2014

In accordance with the terms of our engagement letter dated 16 December 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Pioneer Academy during the period from 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Pioneer Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Pioneer Academy 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 Pioneer Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

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

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

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

Approach

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

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

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

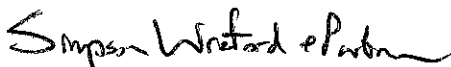
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusions includes:

- Reviewing the systems and procedures in place;
- Reviewing the results of the audit work which could have implications over the assurance conclusion;
- Reviewing the The Pioneer Academy's funding agreement and articles of association and whether these have been followed; and
- Considering the requirements of the financial handbook and accounts directions issued by the EFA and whether any material breaches have occurred.

Conclusion

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



Simpson Wreford & Partners
Chartered Accountants & Statutory Auditor

Date: 17th December 2014

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