

Company Registration Number:  
07573614 (England and Wales)

# **YESOIDAY HATORAH SCHOOL**

## **FINANCIAL STATEMENTS**

**31 AUGUST 2012**

MONDAY



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21/01/2013

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COMPANIES HOUSE

# YESOIDAY HATORAH SCHOOL

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# YESOIDAY HATORAH SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

### GOVERNORS / DIRECTORS

M Halpern (Chair) (Appointed 22 March 2011)  
M Bamberger (parent governor) (Appointed 27 May 2011)  
Mrs D Langer (staff governor) (Appointed 01 April 2011)  
B Olsberg (Appointed 22 March 2011)  
I A Schwalbe (parent governor) (Appointed 27 May 2011)  
I Steinberg (Appointed 22 March 2011)  
Rabbi Dr J Yodaiken (Principal & Accounting Officer)  
(Appointed 22 March 2011)  
S Yodaiken (Appointed 22 March 2011)

### RESPONSIBLE OFFICER

D Royde FCA

### TRUSTEES

D M Halpern  
M Halpern  
S Yodaiken

### SENIOR LEADERSHIP EXECUTIVE

- Deputy Principal
- Deputy Principal
- Finance Director

Rabbi J Pearlman  
Mrs P Wieder  
Mrs S Sills

### PRINCIPAL & REGISTERED OFFICE

Sedgley Park Road  
Prestwich  
Manchester  
M25 0JW

### COMPANY REGISTRATION NUMBER

7573614

### INDEPENDENT AUDITOR

HAS Ltd  
Chartered Accountants  
& Statutory Auditor  
Prince Albert House  
2b Mather Avenue  
Prestwich  
Manchester  
M25 0LA

### BANKERS

Lloyds TSB Bank Plc  
King Street  
Manchester  
PO Box 1000  
BX1 1LT

### SOLICITORS

Liefman Rose & Co  
94 Bury Old Road  
Manchester  
M8 5BW

# **YESOIDAY HATORAH SCHOOL**

## **GOVERNORS' REPORT**

### **PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2012

#### **Structure, Governance and Management**

##### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of Yesoiday HaTorah School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Yesoiday HaTorah School.

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

##### **Members' Liability**

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

##### **Governors' Indemnities**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. See note 12 for further details.

##### **Principal Activities**

The Academy Trust's principal activities are specifically restricted 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 Academy Trust operates under a Funding Agreement issued by the Department for Education on 30 March 2011 and commenced operations on 1st April 2011.

##### **Method of Recruitment and Appointment or Election of governors**

The Trustees may appoint at least 3 governors. They may appoint staff governors through such process as they may determine, usually by secret ballot, provided that the total number of governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of governors. The LA may appoint up to 1 LA governor. The Principal shall be treated for all purposes as being an ex-officio governor. There will be a minimum of 2 parent governors who shall be elected by parents of registered students at the Academy. The governors may appoint up to 5 co-opted governors.

##### **Policies and Procedures Adopted for the Induction and Training of governors**

New governors attend full governing body meetings and subsequently populate committees, often according to interests and personal expertise, as well as being given the opportunity to view the workings of the Academy. The opportunity also exists for governors to join planned

##### **Organisational Structure**

A unified leadership structure operates to help improve the way the Academy is run. The structure consists of the Governors and the Senior Leadership Executive. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The governors are responsible for the strategic development of the Academy, monitoring the Academy by the use of budgets and management accounts and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

# **YESOIDAY HATORAH SCHOOL**

## **GOVERNORS' REPORT (continued)**

**PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

### **Organisational Structure (continued)**

To ensure an efficient and effective committee structure with the Academics' School Development Plan at its' core, there are governor committees responsible for Strategy, Resources, Standards, Admissions and Pay & Performance. The Resources Committee responsibilities incorporate the duties of the Finance committee.

The Senior Leadership Executive are the Principal (Chief Executive), two Deputy Principals and the Finance Director. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Managers in conjunction with the governors are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Leadership Executive always contain a governor. Some spending control is devolved to members of the Senior Leadership Executive, with limits above which the governors must countersign.

Heads of Department are responsible for the day to day operation of curriculum subject areas and accordingly organise their teaching staff, capitation resources, facilities and students.

### **Risk Management**

The governors have responsibility to assess the strategic risks to which the Academy is exposed and intend to commission a systematic analysis of all risks to produce a risk management register.

The governors are implementing a number of systems to assess risks that the Academy faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in this report.

### **Connected Organisations, including Related Party Relationships**

As part of its operation the Academy liaises with organisations such as the Local Authority as well as with other education providers and trainers such as local schools. These include -

- part of a teaching school syndicate for schools who share outstanding leadership in last OFSTED includes 8 schools,
- advice to Abbey Hey Gorton,
- advice and collaboration with St Cuthbert's Wigan,
- research with the National Council of School Leaders

These links are maintained in the interests of supporting good practice and information sharing and consolidate well established mutually supportive associations.

### **Objectives and Activities**

#### **Objects and aims**

We endeavour to instil in our pupils knowledge of the Torah, good character traits and a fear of G-d. Our general aims are to prepare the children for a life of Torah and mitzvos, to deliver the a strong curriculum, (whilst recognising each child's individual character, abilities and intellectual and emotional strengths) and to develop them so as to become honourable, law - abiding citizens. The schools' teachers are committed to identifying and responding to the pupils' learning needs, to developing each child to their full potential and challenging them to achieve the highest standards, according to their abilities, in all their studies.

The aims of the academy are

- 1 To create and develop positive relationships
- 2 To create an environment which promotes growth
- 3 To foster self-esteem and confidence
- 4 To foster effective communication between children, teachers, parents and the wider community

In fulfilling these aims, Yesoiday HaTorah School will be a place where every child is taught according to his/her entitlement and ability academically, emotionally and socially. The children will learn and the staff will work in a happy and relaxed atmosphere, where parents are welcomed as part of the school, all benefiting from mutual support and encouragement.

# YESOIDAY HATORAH SCHOOL

## GOVERNORS' REPORT (continued)

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### Contextualisation

Yesoiday HaTorah School was established by the local Orthodox Jewish Community almost 70 years ago, for the specific purpose of providing a holistic education, both religious and secular. To achieve this end, the school provides a dual curriculum program - one, dedicated to delivering an enriched curriculum and the other providing an enriched Kodesh (Hebrew) curriculum.

### The Ethos of Yesoiday HaTorah School

The school is conducted in accordance with the Shulchon Oruch – Code of Jewish Law, in all aspects.

In general, the ethos within a Jewish school is greatly influenced by Jewish custom, tradition and practice. Judaism is the belief in one eternal and omnipotent G-d. The Jewish people have a highly moral lifestyle in which they regard the Bible, and its commandments and teachings, as a way of life as well as a religion. The values that have been handed down from grandparent to parent and from parent to child are called the "Mesorah" (tradition) (Carmel, 1990). In an orthodox community, *Mesorah* is upheld above all else and does not fluctuate with fashion or social trends. This standard is prevalent throughout the Jewish school, and is reflected both in its ethos and in its implementation of the Enriched Curriculum.

The study of Torah forms the basis of Judaism. Knowledge of the Torah enables a Jewish person to practise its laws and traditions, to value his heritage and understand his religious responsibilities. Torah study is also a vehicle for intellectual training because the methods of study and reasoning employed by the sages in the Talmud are highly logical and analytical (Carmel, 1974).

The Bible and the Talmud are studied in their original languages: Classical Hebrew and Aramaic. This facilitates the acquisition of extra languages at a young age. At the end of their school career, it is reasonable to expect Orthodox Jewish students to have a good command of a number of languages including Classical Hebrew, Aramaic, and possibly Yiddish, in addition to any other European or Classical languages that they may have studied.

Study of Torah also provides students with the skills necessary to think logically and coherently, and with a vast amount of general knowledge, passing on 4,000 years of Jewish history, culture and tradition.

Jewish laws and customs are derived from the Torah. The Torah has two distinct elements:

- The Written Law, which consists of the Five Books of Moses, The Prophets and the other books of the Old Testament.

- The Transmitted (or Oral) Law. This consists of the teachings of the Rabbis from earliest history to modern day, and includes the Talmud and the Code of Jewish Law.

Jewish people are required to eat 'kosher' food, that is food that Jewish law permits. The laws of *Kashrus*, kosher food preparation, are exceedingly complex. However, in essence, the key rules are:

- Not all species of animals and fish are kosher and kosher animals are ritually slaughtered and require supervised processing, as does kosher fish.

- Meat and dairy foods must be separate and a kosher kitchen will have a different set of dishes and cutlery for each and two more sets for Passover.

- Vegetables and fruit are almost always kosher, but some require special preparation.

- Bread, cakes, dairy products and wine need rabbinical supervision (Caro, 1564).

A Jew prays three times a day. Morning prayers may last close to an hour. Afternoon and evening prayers last a quarter of an hour. Festival or Sabbath prayers are much longer.

Blessings take the form of thanks, praise and requests. In the course of their daily routine, Orthodox Jews recite blessings before and after eating or drinking, when perceiving the wonders of nature, like thunder and lightning or a rainbow, and on numerous other occasions, such as using the bathroom.

Jewish males, from the age of three, have the custom of keeping their heads covered, even indoors. This demonstrates the faith that G-d is ever-present. It is a sign of great respect for a Jew to maintain a covered head, and differs from Western traditions of marking respect by removing one's head covering.

Hebrew is written from right to left. Like all Semitic alphabets, it consists solely of consonants. The vowels appear as separate symbols, usually under the consonants.

Most very orthodox Jewish schools are not co-educational, and there is no intermingling of the sexes. Trans-gender contact is reserved for close family only and this is part of a value system that the very orthodox school will seek to instil in pupils from an early age. The Jewish school population in Great Britain is not yet large enough to justify the provision of textbooks designed for the Jewish Day School. This can sometimes make choosing suitable resource material a challenge.

Here are some examples:

- Some encyclopaedias, science and geography books, refer in specific terms to the evolution of the Universe, terms that contradict the belief in the Creation of the Universe by the Supreme Entity.

- The subject matter or illustrations found in some books may be alien to children brought up in an Orthodox Jewish environment.

# **YESOIDAY HATORAH SCHOOL**

## **GOVERNORS' REPORT (continued)**

**PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

### **The Exclusive Nature of Yesoiday HaTorah School**

It is noteworthy that YHS offers a unique Orthodox Jewish education, with boys and girls being taught separately, it is, in fact, virtually like two schools. The boys and girls are taught in two separate buildings with separate assembly halls, playtimes and lunchtimes. Furthermore, Yesoiday HaTorah School has an elongated day which extends to 5.30pm for Junior boys.

Yesoiday HaTorah Academy is a hybrid school, consisting of the Academy that primarily deals with the running of the school, secular education etc. However, this runs alongside a privately funded mainly religious school that takes place on Sundays, during school holidays, and every day at the end of the day.

Applications by parents to have their children accepted in this separate private school is by way of a separate application form. Parents are asked to contribute towards the funding of this school, although we never refuse a child because their parents cannot pay.

### **Middos Development**

At the heart of education at Yesoiday Hatorah School is the development of good middos (character traits). The question is asked why it is that good character traits are not mentioned specifically as one of the 613 mitzvos (required commandments). The answer is given by one of the famous commentators, Rav Chaim Vital, that good middos are so important, that they are a part of every single one of the 613 mitzvos and therefore they are not mentioned specifically. Consequently, in Yesoiday HaTorah School there is very great emphasis placed on middos, for example our Middah of the Month project and all the middos development lessons linked to the Sedra (weekly Torah portion).

### **The Parent Body**

There are a number of key characteristics which are very relevant to understanding our school. None of our parents have televisions or allow children to access the internet. This has an obvious impact on our pupils' understanding of the world (as demonstrated by the lower levels of children at KUW as they enter the school and impacts somewhat on the Science results). As a school, we have taken a very active part in trying to address this issue, as described at some length in our Briefing paper on The Provision of Science at Yesoiday HaTorah School, 2010.)

Many of our parents have large families with overcrowding and financial difficulties being very prevalent (We have at least 129 children from families with 7 or more children and at least an additional 324 children from families with 5 or more children).

### **Research Based School**

The Head Teacher completed his doctorate in 2005 with Manchester University on the topic of "Maximising a Cross-Curricular Approach to Education", which has a significant resonance within our school, with the two strands of Kodesh and Enriched Curriculum. The Deputy Head completed her MSc in 2004 on the theme of "Developing A Behaviour Management Policy Which Will Enhance Pupil Discipline And Core Value Systems", the Assistant Deputy Head completed his MSc in 2010 on "Applying the Resource Management Cycle to effectively manage the introduction of a New Hebrew Reading Programme" (now taken headship in a Jewish state aided school), all are still involved deeply in research. Following a recent visit to the school, Professor Ainscow, Head of the North West Challenge, referred to the school as a truly research based one.

### **Size of School / Innovative Cross Curricular Programme**

Yesoiday HaTorah School currently has 744 pupils and over 100 teaching staff members on roll, comprising two staffs, Kodesh and General Studies, and is the largest primary school in Bury. The complexity of providing two curricula and meeting the needs of the children has been a great challenge and therefore the successful development of a cross curricular approach (see Ofsted 2010 where the curriculum is described as Outstanding) has been the key to our success, as we now have a team of empowered members of staff who work together in harmony. The systemic approach to cross curricular work has been developed over the last decade and has been intrinsically linked to the Head Teacher's work as in his doctoral studies and involves nearly all members of our staff throughout Foundation Stage, Key Stage 1 and Key Stage 2. As a corollary, it is important to state that the Senior Leadership Team's training as life coaches has been very helpful in facilitating this empowerment.

# YESOIDAY HATORAH SCHOOL

## GOVERNORS' REPORT (continued)

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### Kodesh input into Enriched Curriculum Subjects – An Illustration

#### ENGLISH

Speaking and Listening Skills  
Writing  
Grammar  
Comprehension  
Poems  
Story Telling  
Role-play  
Linguistic Skills

#### MATHEMATICS

Counting  
Addition & Subtraction  
Multiplication & Division  
Gematria – Numerical Values (each  
Kodesh letter has a numerical value)  
Estimates  
Weights  
Measurements  
Fractions

#### HISTORY

Emphasis on biblical and Jewish  
historical events of the following  
ancient civilizations  
Egypt  
Mesopotamia  
Phoenicians  
Rome  
Greece & Syria  
Persians & Medes

#### GEOGRAPHY

Emphasis on physical features linked to  
Jewish history

Maps – North, south, east, west,  
physical features  
Animals – Characteristics of, and  
farming  
Climate and weather

#### SCIENCE

Parts of the body  
Plants mentioned in the Bible – Biology  
Biology  
Plants used in Jewish ritual – Biology  
Desert and fertile land  
Agriculture in the Land of Israel,  
Climate and weather  
The moon and the Jewish months  
Lengths of time and the calendar  
Day/Night Sun/Moon year length  
Phases of the moon, seasons  
The Solar system  
The water cycle

#### DESIGN & TECHNOLOGY/ART

Making a detailed model of the  
Tabernacle  
  
Making and designing candelabras for  
the Festival of Lights  
  
Making models of the High Priest and  
his beautiful clothes  
  
Making and designing various items for  
the Festival of *Purim*, e.g. a "gragger"  
(an instrument for making a lot of  
noise)

#### MUSIC

School Choir  
Music for Festivals  
Kodesh songs reflecting different  
moods of music through different  
instruments, such as the *Shofar* (horn)  
on *Rosh Hashonah*

#### The Nursery

The Nursery is made up of a private part as well as a state-aided element. Only 26 of the 100+ children are within the state aided part of the Nursery, which might have some bearing on the lower attainment levels of pupils at entry to the school in areas such as reading, writing (CLL) and computation within numeracy. This might be due to the fact that the Nursery has much more emphasis on Kodesh and the subsequent teaching style and strategy related to this.



# **YESOIDAY HATORAH SCHOOL**

## **GOVERNORS' REPORT (continued)**

**PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

### **Special Needs**

We have the highest number of Statemented children in Bury and this high percentage is earmarked in Raise Online. In addition, we have 180 children on the SEN Register, many of whom have complex needs. The school provides specialists in various elements of the SEN provision, including three speech therapists, a music therapist, an art therapist and an expert Senco whose previous job entailed training of other Sencos. Yesoiday HaTorah School has a reputation for helping children with special needs, hence the higher proportion of special needs children, as is evidenced by our outcomes for special needs children. However, this is having a knock-on effect, the results overall in attainment are lower than previously because of the increased number of special needs children. We are very proud of our collaborative work with the local Jewish special needs school, catering for pupils who have high level special needs, with our Chair of Governors and headteacher actively involved in an advisory capacity.

### **Community Cohesion**

The outstanding Community Cohesion work of the school is facilitated by our wonderful Community Hall, which is used for many community events, such as Educational Symposiums, Events run by the local Children's Centre (Hershel Weiss Children's Centre), Sports Events, Weddings, Seminars and Workshops, as well as all the regular school events. Our Community Cohesion provision is very much enriched by our collaborative work.

### **The Library**

Our state of the art library with 24,325 books provides pupils with an opportunity to enjoy and gain from the beautiful ambience therein. This has had a very positive impact on reading levels. In 2011 100% of our children achieved Level 4 in Reading and in 2012 94% achieved Level 4 in Reading, with a very high percentage achieving Level 5. In addition, there is a purpose made resource centre/library for teachers which facilitates their research and professional growth.

### **SMSC**

The outstanding SMSC provision incorporates all the facets of our school's development over the last two decades. These include the fusion together of our staff in providing a cohesive curriculum in which spirituality and moral values pervade.

The development of a reflective approach to school life and practice by many of our staff, which is being facilitated through the SLT's work on coaching and enhanced by the empowerment model of staff being involved as middle leaders in such important areas as student voice.

The process of personal development wherein pupils are involved in many aspects of school life, giving them responsibilities and opportunities to contribute to the school community.

### **Training**

The Senior Leadership Team has had a strong involvement with the Greater Manchester Challenge and NCSL. The Head Teacher is an LLE and Member of the Operational Leadership Team of The Greater Manchester Challenge. Through the NCSL, coaching training has been provided for the Senior Leadership Team at the CEL in Manchester University together with Birchfields Primary School. The objective is to build a coaching culture throughout the school and develop the Middle Management. The Middle Management also had an opportunity to be involved in the NCSL Immersion Programme and have worked on an enrichment programme for teaching and learning in school. Members of the SLT have also been to courses on successful planning at the LA.

A unique liaison between Yesoiday HaTorah School and Birchfields Primary School has flourished over the last two years. Below is an independent report describing this partnership.

# YESOIDAY HATORAH SCHOOL

## GOVERNORS' REPORT (continued)

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### GREAT MANCHESTER CHALLENGE

*Dr Jonathan Yodaiken LLE, a Jewish school supporting a largely Muslim school*

*The Head Teacher of a Jewish primary school with an outstanding curriculum is supporting a largely Muslim school in Manchester in its efforts to raise levels of pupil attainment*

*As part of the Greater Manchester Challenge, local leader of education (LLE) Rabbi Dr Jonathan Yodaiken is working with inner city Birchfields Primary School - the largest primary school in Manchester - to develop more effective use of assessment data and boost the quality of teaching and learning*

*700-pupil Birchfields has a very high percentage of Muslim children, many of whom learn English as an additional language. An Ofsted inspection of June 2007 rated the school as "good" but highlighted the need for "more consistency in the use of the school's procedures for assessment and target setting to enable pupils to understand better what they need to do to improve"*

*Over the last 18 months, the Rabbi Dr has worked successfully with Birchfields' new head Sam Offord to effect improvements that have seen Key Stage 2 SATS results rise above floor targets for the first time in Maths and reading and throughout the school the majority of pupils are now reaching national expectations for their ethnic groups. The school's contextual value added (CVA) score has also risen to 100.4*

*Jonathan, who is also an Ofsted Inspector, said "It's been a totally positive experience built on mutual respect. Birchfields is a great school and the learning is definitely a two-way process."*

*For the last 19 years, Jonathan has been principal and then Head Teacher of Yesoiday Hatorah Primary School in Bury, also a "good" large school with 630 pupils and a highly successful curriculum that integrates the National Curriculum and the Kodesh curriculum, which includes the study of Jewish history, Jewish Law and Hebrew*

*"Our curriculum works because it takes a holistic view and pulls provision together around the child to create the skills needed for learning and well-being", he said. "When I went to Birchfields I found that their challenges were very similar to ours in that they were, to a large extent, integrating the National Curriculum with Muslim teachings emanating from the Mosques"*

*The difference in faiths has not been an issue at all. In fact it's been very interesting. The staff and pupils at Birchfields have been very welcoming and I find that if you show respect, you receive it in return."*

*Raising standards at Birchfields has included working with heads of year in assessing pupils progress (APP) to build a robust and systematic approach to planning and tracking progress*

*"The work has benefited both schools because it has given staff more confidence. Seeing the bigger picture beyond their own school and being able to have passionate discussions about their work has had a reinvigorating effect*

*Birchfields Head Teacher Sam Offord said "The link has been both personally fulfilling and has had an impact on standards at Birchfields. Jonathan has espoused the best qualities of a critical friend in dispensing advice but also praising and supporting the staff and strategies that we do well here*

*"As an experienced Ofsted inspector he has been able to help us demonstrate our strengths and deployed members of his own team to support us in areas of weakness. His generosity of spirit in allowing members of my staff to support his school - thus providing CPD opportunities - and taking time to get to know us, has led to this being a mutually beneficial opportunity. I hope our partnership will continue to flourish for the benefit of both our schools."*

# **YESOIDAY HATORAH SCHOOL**

## **GOVERNORS' REPORT (continued)**

**PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

### **Links to Parents**

We have outstanding links to parents and carers. As we are a community school, many parents meet up casually with SLT and members of staff to discuss progress and aspects of school life. Comprehensive questionnaires are completed annually, there are two Parents Evenings per year as well as an induction evening for Reception parents, regular newsletters and letters from teachers, and parent workshops. The Head Teacher has recently published a book on education which was based somewhat on the preparation of these workshops.

### **The Governors**

The Governors are committed to maintaining a dynamic, robust, capable appropriate leadership.

The above is important to any school/Academy and with this particular Academy, the qualifications are that much more difficult to procure, as one needs to have all those qualities and at the same time have the correct ethos that Yesoiday HaTorah School stands for, continuing the legacy of the founding fathers and displaying that commitment by action and example.

### **Objectives, Strategies and Activities**

- 1 Mind Lab strategies – cognitive thinking
- 2 Abacus maths scheme
- 3 Curriculum re-plan Kodesh
- 4 I C T revamp computers

### **Public Benefit**

In drafting the above statements, the trustees have complied with the duty in the relevant Section of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties.

### **Achievements and Performance**

Entry level nursery – well below average

Progress Early Years Foundation Stage – good

Key Stage 1 outcomes

- Level 2+ - very high
- Level 3 below national average

Key Stage 2 outcomes

- Average Point Score – highest level 5 for years
- Level 5's well above national average
- English 2 level progress – good
- Maths 2 level progress – below national average
- Boys outscore girls
- Level 4+ down on previous years
- SEN element high in top class (see RAISEonline)
- SEN children very good progress

### **Going Concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

# **YESOIDAY HATORAH SCHOOL**

## **GOVERNORS' REPORT (continued)**

**PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

### **Financial Review**

Most of the Academics' income is obtained from the Department for Education (DFE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DFE during the period ended 31st August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Academy also receives grants for fixed assets from the DFE. 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 expected useful life of the assets concerned.

The Assets, Liabilities and Funds of the Governing Body of Yesoiday HaTorah School were transferred to the Academy on 01 April 2011.

During the period ended 31 August 2012, total expenditure of £3,574,163 was more than covered by recurrent grant funding from the DFE together with other incoming resources. The excess of income over expenditure for the period before other recognised gains and losses (excluding surplus funds transferred, restricted fixed asset funds and restricted pension funds) was £126,266.

### **Principal Risks and Uncertainties**

The Governors consider that the principal risks and uncertainties facing the Academy are

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity commission and the strong balanced Curriculum

### **Principal Risks and Uncertainties (continued)**

Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and or financial commitments made without adequate authorisation

Operational risks - resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information

The key controls used by the academy include

- Detailed terms of reference for all committees
- Formal agendas for the academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

### **Reserves Policy**

The Governors will review the reserves levels of the academy annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that an appropriate level of free reserves should be equivalent to £100,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £26,964.

### **Investment Policy**

The Governors' policy is to invest any surplus funds in low risk short term deposits.

# YESOIDAY HATORAH SCHOOL

## GOVERNORS' REPORT (continued)

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### Plans for Future Periods

The main objectives for the next academic year are stated in the 2011/2012 School Development Plan and stated, along with actions required, as follows

- 1 Focus – grammar
- 2 Level 6 maths programme
- 3 Curriculum realignment
- 4 Performance management
- 5 Arrange PPA time to prepare lessons
- 6 Focus - Level 3's Key Stage 1
- 7 Focus – girls

### Main target area for development

### Action Required

Maths

- Improve overall mathematical standards across KS2 girls
- Embed calculation policy
- CPD on areas of calculation
- Appropriateness of resources
- Support for lower achievers across 5B
- Improvement of ability to problem-solve effectively

### Future Expansion

The school finds itself in the enviable position of being the only school/Academy, North of Watford, catering for the Orthodox Jewish Primary population and with totally segregated classes and facilities. This has led to a very serious over-subscription, as we are now receiving substantially more applications than we can possibly cater for.

In the medium term, the Governors would hope to successfully find another similar sized site and expand the school thereon, catering eventually for close on twice the number of children we presently have.

### Extension

The Governors would also like to extend the school upwards and cater for pupils leaving the school for their Secondary Education. It is envisaged that we would secure a further site, upon which we could cater for a two-form entry facility to take the pupils through to GCSE level.

### Auditor

HAS LTD has indicated its willingness to continue in office.

### Statement as to disclosure of information to auditors

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

Approved by order of the members of the governing body on 10 December 2012 and signed on its behalf by

Signed

M Halpern  
Chair

# **YESOIDAY HATORAH SCHOOL**

## **GOVERNANCE STATEMENT**

**PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

### **Scope of Responsibility**

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

The governing body has delegated the day-to-day responsibility to the 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 Yesoiday Hatorah School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Yesoiday Hatorah School for the period ended 31 August 2012 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 period ending 31 August 2012 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 Sub 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

# YESOIDAY HATORAH SCHOOL

## GOVERNANCE STATEMENT

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### Review of effectiveness

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

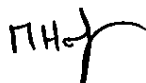
- The work of the Responsible Officer
- The work of the external auditor
- The work of the senior managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Finance & Building Sub Committee completed the Finance Management & Governance Evaluation (FMGE) in January 2012 and was graded 'Good' by the EFA

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources 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 governing body on 10 December 2012 and signed on its behalf by

Signed



**M Halpern**  
Chair

Signed



**Rabbi Dr J Yodaiken**  
Accounting officer

# **YESOIDAY HATORAH SCHOOL**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

**PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

As accounting officer of Yesoiday HaTorah School 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.

**Signed**



**Rabbi Dr J Yodaiken**  
Accounting officer



# YESOIDAY HATORAH SCHOOL

## GOVERNOR'S RESPONSIBILITIES

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

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

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 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 judgments and accounting estimates that are reasonable and prudent,
- ☐ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 governors 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 governors 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 governors 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 governing body on 10 December 2012 and signed on its behalf by

Signed



**M Halpern**  
Chair

# **YESOIDAY HATORAH SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO YESOIDAY HATORAH SCHOOL AND THE EDUCATION FUNDING AGENCY**

**PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

In accordance with the terms of our engagement letter dated 15 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Yesoiday HaTorah School during the period 1 April 2011 to 31 August 2012 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 Yesoiday HaTorah School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Yesoiday HaTorah School 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 Yesoiday HaTorah School and the EFA, for our work, for this report, or for the conclusion we have formed

### **Respective responsibilities of Yesoiday Hatorah School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Yesoiday HaTorah School's funding agreement with the Secretary of State for Education dated 28 March 2011 and the Academies Financial Handbook as published by the DfES in 2006, for ensuring that expenditure disbursed and income received is applied to 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 2011/12. 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 1 April 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 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.

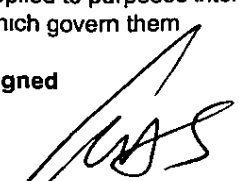
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

### **Opinion**

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 1 April 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Signed



**HAS LTD**  
Chartered Accountants  
2b Mather Avenue  
Prestwich  
M25 0LA

10 December 2012

# YESOIDAY HATORAH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YESOIDAY HATORAH SCHOOL

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

We have audited the financial statements of Yesoiday HaTorah School for the period ended 31 August 2012 which comprise Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

As explained more fully in the Governors' Responsibilities Statement set out on page 8, the governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### 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'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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Respective responsibilities of governors and auditor

This report is made solely to the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006


In our opinion the information given in the Governors' Annual 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, or
- 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' Annual Report.

Signed

  
Howard Schwalbe - Senior Statutory Auditor  
For and on behalf of HAS LTD  
Statutory Auditor  
2b Mather Avenue  
Prestwich  
M25 0LA

10 December 2012

# YESOIDAY HATORAH SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	17,949	0	387,954	405,903
Voluntary income - transfer from LA on conversion	28	0	113,235	3,183,000	3,296,235
Activities for generating funds	4	7,911	94,672	0	102,583
Investment income	5	1,105	0	0	1,105
<i>Incoming resources from charitable activities</i>					
Funding for the academy's educational operations	6	0	3,601,557	0	3,601,557
<b>Total incoming resources</b>		<u>26,964</u>	<u>3,809,465</u>	<u>3,570,954</u>	<u>7,407,383</u>
<b>Resources expended</b>					
<i>Cost of generating funds</i>					
Costs of generating voluntary income		0	0	0	0
Fundraising trading		0	0	0	0
<i>Charitable activities</i>					
Academy's educational operations	8	0	3,344,705	614,065	3,958,770
Governance costs	9	0	229,458	0	229,458
<b>Total resources expended</b>	7	<u>0</u>	<u>3,574,163</u>	<u>614,065</u>	<u>4,188,228</u>
<b>Net incoming / (outgoing) resources before transfers</b>					
Gross transfers between funds	17	<u>0</u>	<u>(136,000)</u>	<u>136,000</u>	<u>0</u>
<b>Net income/(expenditure) for the year</b>		26,964	99,302	3,092,889	3,219,155
<b>Other recognised gains and losses</b>					
Actuarial (losses) gains on defined benefit pension schemes	17, 26	<u>0</u>	<u>(26,000)</u>	<u>0</u>	<u>(26,000)</u>
<b>Net movement in funds</b>		26,964	73,302	3,092,889	3,193,155
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 April 2011	17	0	0	0	0
<b>Total funds carried forward at 31 August 2012</b>		<u>26,964</u>	<u>73,302</u>	<u>3,092,889</u>	<u>3,193,155</u>

All of the academy's activities derive from acquisitions in the current financial period

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

# YESOIDAY HATORAH SCHOOL

## BALANCE SHEET

Company Number

7573614

AS AT 31 AUGUST 2012

	Notes	2012 £	2012 £
<b>Fixed assets</b>			
Tangible assets	13		3,133,806
<b>Current assets</b>			
Stock	14	4,201	
Debtors	15	80,377	
Cash at bank and in hand		<u>347,147</u>	
		431,725	
<b>Liabilities</b>			
Creditors Amounts falling due within one year	16	<u>(346,376)</u>	
<b>Net current assets / (liabilities)</b>			<u>85,349</u>
Total assets less current liabilities			3,219,155
<b>Net assets excluding pension liability</b>			3,219,155
Pension scheme liability	26		<u>(26,000)</u>
<b>Net assets including pension liability</b>			<u><u>3,193,155</u></u>
<b>Funds of the academy:</b>			
<b>Restricted income funds</b>			
Fixed asset fund	17		3,092,889
General fund	17		99,302
Pension reserve	17		<u>(26,000)</u>
<b>Total restricted funds</b>			<u>3,166,191</u>
<b>Unrestricted income funds</b>			
General fund	17		<u>26,964</u>
<b>Total unrestricted funds</b>			<u>26,964</u>
<b>Total funds</b>			<u><u>3,193,155</u></u>

The financial statements on pages 11 to 35 were approved by the governors, and authorised for issue on 10 December 2012 and are signed on their behalf by

Signed



M Halpern  
Chair

# YESOIDAY HATORAH SCHOOL

## CASH FLOW STATEMENT

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

	Notes	2012 £
Net cash inflow from operating activities	21	3,091,717
Cash transferred on conversion to an academy trust		113,235
Returns on investments and servicing of finance	22	1,105
Capital expenditure	23	(2,858,910)
(Decrease)/Increase in cash in the year	24	<u>347,147</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 1 September 2011		0
Net funds at 31 August 2012		<u>347,147</u>

All of the cash flows are derived from acquisitions in the current financial period

# **YESOIDAY HATORAH SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

### **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 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**

These financial statements have been prepared on a going concern basis, which the Governors consider to be appropriate as a result of projections prepared, which indicate the Academy will be able to operate within the facilities currently available.

#### **Incoming Resources**

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

#### **Grants receivable**

Fixed asset 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. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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**

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

#### **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.

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 1. Statement of Accounting Policies (continued)

#### **Donated Services and gifts in kind**

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

Certain fixed assets were transferred from the governors on conversion to an academy on 1 April 2011 and are recognised on the following bases:

- School land and buildings are regarded as specialist properties and have been recognised at current market value. The ownership of the land and buildings is vested with custodian trustees who have allowed access to the land and buildings on a rent free basis by way of a lease.
- Sundry assets relating to furniture & equipment as well as IT equipment.

#### **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 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 reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### **Tangible Fixed Assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

##### ☐ **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.



# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 1. Statement of Accounting Policies (continued)

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 reducing balance basis over its expected useful lives, as follows

Freehold land & buildings	- 2% pa
Long leasehold land & buildings	- 2% pa
Fixtures, fittings and equipment	- 15% pa
IT equipment	- 33 3% pa

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 straight line basis over the lease term.

#### Stock

Stationery and catering stocks are valued at the lower of cost or net realisable value.

#### Taxation

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

#### Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, 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 26, 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.

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 1. Statement of Accounting Policies (continued)

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 asset acquired or created is held for a specific purpose.

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

#### Conversion to an Academy Trust

The conversion from a Voluntary Aided 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 the Foundation school Yesoiday HaTorah 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 Yesoiday HaTorah School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised as Incoming Resources in the SOFA and analysed under unrestricted, restricted general, restricted pension and restricted fixed asset funds. Further details of the transaction are set out in note 28.

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 2. General Annual Grant (GAG)

#### a. Results and Carry Forward for the Year

	2012 £
GAG brought forward from previous year	0
GAG allocation for current year	2,986,772
<b>Total GAG available to spend</b>	<b>2,986,772</b>
Recurrent expenditure from GAG	(3,378,056)
Fixed assets purchased from GAG	0
	<b>(3,378,056)</b>
<b>GAG carried forward to next year</b>	<b>(391,284)</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u><u>(358,413)</u></u>
<b>GAG to surrender to DfE</b>	<u><u>0</u></u>
(12% rule breached if result is positive)	no breach

#### b. Use of GAG brought forward from previous year for recurrent purposes

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

Recurrent expenditure from GAG in current year	(3,378,056)
GAG allocation for current year	(2,986,772)
GAG allocation for previous year x 2%	0
	<u><u>0</u></u>
<b>GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year</b>	<u><u>0</u></u>
(2% rule breached if result is positive)	no breach

### 3. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Capital Grants	0	387,954	387,954
Private Sponsorship	0	0	0
Other Donations	17,949	0	17,949
	<u>17,949</u>	<u>387,954</u>	<u>405,903</u>

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 4. Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Catering Income		94,672	94,672
Other Income	7,911	0	7,911
	<u>7,911</u>	<u>94,672</u>	<u>102,583</u>

### 5. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Short term deposits	1,105	0	1,105
	<u>1,105</u>	<u>0</u>	<u>1,105</u>

### 6 Funding for academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
<b>DfE / EFA revenue grants</b>			
General Annual Grant (GAG) (Note 2)	0	2,986,772	2,986,772
Start Up Grants	0	0	0
Other DfE / EFA grants	0	265,672	265,672
	<u>0</u>	<u>3,252,443</u>	<u>3,252,443</u>
<b>Other Government grants</b>			
Local authority grants	0	93,190	93,190
Special educational projects	0	255,924	255,924
	<u>0</u>	<u>349,114</u>	<u>349,114</u>
	<u>0</u>	<u>3,601,557</u>	<u>3,601,557</u>

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 7. Resources Expended

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other Costs	2012
	£	£	£	£
Costs of generating voluntary income	0	0	0	0
Costs of activities for generating funds	0	0	0	0
Academy's educational operations				
- Direct costs	2,357,587	0	406,102	2,763,689
- Allocated support costs	137,158	773,325	284,598	1,195,081
	<u>2,494,745</u>	<u>773,325</u>	<u>690,700</u>	<u>3,958,770</u>
Governance costs including allocated support costs	195,627	10,000	23,831	229,458
	<u>2,690,373</u>	<u>783,325</u>	<u>714,530</u>	<u>4,188,228</u>

### Incoming/outgoing resources for the year include.

	2012 £
Operating leases	
Fees payable to auditor for	
- audit	4,250
- other services	2,800
Profit/(loss) on disposal of fixed assets	<u>0</u>

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 8. Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
<b>Direct costs</b>			
Teaching and educational support staff costs	0	2,357,587	2,357,587
Depreciation	0	111,474	111,474
Educational supplies	0	233,673	233,673
Examination fees	0	0	0
Staff development	0	19,386	19,386
Educational consultancy	0	23,438	23,438
Other direct costs	0	18,130	18,130
	<u>0</u>	<u>2,763,689</u>	<u>2,763,689</u>
<b>Allocated support costs</b>			
Support staff costs	0	80,367	80,367
Depreciation	0	1,584	1,584
Recruitment and support	0	3,457	3,457
Maintenance of premises and equipment	0	580,714	580,714
Cleaning	0	120,876	120,876
Rent & rates	0	14,780	14,780
Insurance	0	56,955	56,955
Security and occupational	0	111,352	111,352
Catering	0	155,056	155,056
Bank interest and charges	0	0	0
Other support costs	0	69,941	69,941
	<u>0</u>	<u>1,195,081</u>	<u>1,195,081</u>
	<u>0</u>	<u>3,958,770</u>	<u>3,958,770</u>

### 9. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Legal and professional fees	0	10,000	10,000
Auditor's remuneration			
Audit of financial statements	0	4,250	4,250
Responsible officer audit	0	0	0
Support staff costs	0	195,627	195,627
Support other costs	0	19,581	19,581
Governors' reimbursed expenses	0	0	0
	<u>0</u>	<u>229,458</u>	<u>229,458</u>

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 10. Staff costs

	Total 2012 £
Staff costs during the period were	
Wages and salaries	2,270,337
Social security costs	152,801
Pension costs	226,404
	<u>2,649,542</u>
Supply teacher costs	40,831
Compensation payments	0
	<u>2,690,373</u>

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

	2012 No.
<b>Charitable Activities</b>	
Teachers	92
Administration and support	22
Management	3
	<u>117</u>

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

	2012 No.
£60,001 - £70,000	<u>1</u>

Forty of the above employees participated in the Teachers' Pension Scheme During the period ended 31 August 2012, pension contributions for these staff amounted to £205,443 (2011 £n/a)  
Ten employees participated in the Local Government Pension Scheme, pension contributions amounted to £20,884 (2011 £n/a)

### 11. Governors' remuneration and expenses

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

Principal	£67,000 (2011 n/a)
Other staff Governor	£39,293 (2011 n/a)

During the period ended 31 August 2012, travel and subsistence expenses totalling £356 (2011 n/a) were reimbursed to 1 governor (2011 - n/a)

Other related party transactions involving the trustees are set out in note 27

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 12. 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 £2,000,000 on any one claim and the cost for the period ended 31 August 2012 was £88 (2011 - £n/a)

The cost of this insurance is included in the total insurance cost

### 13. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Furniture & Equipment £	Computer Equipment £	Total £
<b>COST</b>				
At 1 April 2011	0	0	0	0
Additions	0	5,864	0	5,864
Transfer on conversion	3,183,000	50,000	8,000	3,241,000
Disposals	0	0	0	0
<b>At 31 August 2012</b>	<b><u>3,183,000</u></b>	<b><u>55,864</u></b>	<b><u>8,000</u></b>	<b><u>3,246,864</u></b>
<b>DEPRECIATION</b>				
At 1 April 2011	0	0	0	0
Charge for the year	90,185	21,289	1,584	113,058
Disposals	0	0	0	0
<b>At 31 August 2012</b>	<b><u>90,185</u></b>	<b><u>21,289</u></b>	<b><u>1,584</u></b>	<b><u>113,058</u></b>
<b>NET BOOK VALUE</b>				
<b>At 31 August 2012</b>	<b><u>3,092,815</u></b>	<b><u>34,575</u></b>	<b><u>6,416</u></b>	<b><u>3,133,806</u></b>
At 31 March 2011	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 14. STOCK

	2012
	£
School supplies	4,201
	<u>4,201</u>

### 15. DEBTORS

	2012
	£
Trade debtors	(50)
Other debtors	71,257
Prepayments and accrued income	9,170
	<u>80,377</u>

### 16. CREDITORS: Amounts falling due within one year

	2012
	£
Trade creditors	77,006
PAYE and NIC creditor	33,040
Other taxation and social security	(958)
Other creditors	84,577
Accruals and deferred income	152,711
	<u>346,376</u>

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 17 Funds

	Balance at 01-Apr 2011 £	Incoming Resources £	Resources Expended £	Gains, Losses & Transfers £	Balance at 31-Aug 2012 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	0	2,986,772	(3,378,056)	(136,000)	(527,284)
Other DfE/EFA grants	0	822,693	(196,107)	0	626,586
Pension reserve	0	0	(26,000)	0	(26,000)
	<u>0</u>	<u>3,809,465</u>	<u>(3,600,163)</u>	<u>(136,000)</u>	<u>73,302</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	0	3,570,954	(614,065)	0	2,956,889
Capital expenditure from GAG	0	0	0	136,000	136,000
Private sector capital sponsorship	0	0	0	0	0
	<u>0</u>	<u>3,570,954</u>	<u>(614,065)</u>	<u>136,000</u>	<u>3,092,889</u>
<b>Total restricted funds</b>	<u>0</u>	<u>7,380,419</u>	<u>(4,214,228)</u>	<u>0</u>	<u>3,166,191</u>
<b>Unrestricted funds</b>					
Unrestricted funds	0	26,964	0	0	26,964
<b>Total unrestricted funds</b>	<u>0</u>	<u>26,964</u>	<u>0</u>	<u>0</u>	<u>26,964</u>
<b>Total funds</b>	<u>0</u>	<u>7,407,383</u>	<u>(4,214,228)</u>	<u>0</u>	<u>3,193,155</u>

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

#### Restricted general fund

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

#### Restricted fixed asset funds

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

#### Unrestricted funds

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.

### 18 Funds

	Unrestricted Funds £	Restricted General Funds £	Fixed Asset Funds £	Total Funds £
Tangible fixed assets	0	40,991	3,092,815	3,133,806
Current assets	26,964	58,311	74	85,349
Pension scheme liability	0	(26,000)	0	(26,000)
<b>Total net assets</b>	<u>26,964</u>	<u>73,302</u>	<u>3,092,889</u>	<u>3,193,155</u>

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 19 Capital commitments

Total  
2012  
£

Contracted for, but not provided in the financial statements

1,617,964

The above capital commitments relate to Phase 2 Block A that are scheduled to start in the next accounting period and to be completed within the next two years

### 20 Financial commitments

#### *Operating leases*

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases as follows

Total  
2012  
£

#### Land and buildings

Expiring within one year

0

Expiring within two and five years inclusive

0

Expiring in over five years

0

0

#### Other

Expiring within one year

2,188

Expiring within two and five years inclusive

8,104

Expiring in over five years

0

10,292

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

<b>21. Reconciliation of net income to net cash inflow from operating activities</b>			<b>2012</b>
			<b>£</b>
Net income			3,219,155
Depreciation (note 13)			113,058
Capital grants from DfE and other capital income			(387,954)
Cash transferred on conversion to an academy trust			(55,235)
Assets transferred on conversion to an academy trust			(58,000)
Interest receivable (note 5)			(1,105)
FRS 17 pension cost less contributions payable (note 26)			0
FRS 17 pension finance income (note 26)			0
(Increase)/decrease in stocks			(4,201)
(Increase)/decrease in debtors			(80,377)
Increase/(decrease) in creditors			346,376
<b>Net cash inflow from operating activities</b>			<b><u>3,091,717</u></b>
<b>22. Returns on investments and servicing of finance</b>			
Interest received			1,105
<b>Net cash inflow from returns on investment and servicing of finance</b>			<b><u>1,105</u></b>
<b>23. Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets (including leased on conversion)			(3,246,864)
Capital grants from DfE/EFA			387,954
Capital funding received from sponsors and others			0
Receipts from sale of tangible fixed assets			0
<b>Net cash outflow from capital expenditure and financial investment</b>			<b><u>(2,858,910)</u></b>
<b>24. Analysis of changes in net funds</b>	<b>At 1</b>		<b>At 31</b>
	<b>April</b>		<b>August</b>
	<b>2011</b>	<b>Cash flows</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash in hand and at bank	0	347,147	347,147
	<u>0</u>	<u>347,147</u>	<u>347,147</u>

# **YESOIDAY HATORAH SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

### **25. 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

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 26 Pension and other 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 Tameside MBC. Both are defined-benefit schemes.

As described in note 28, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the Foundation school and new employees who were eligible to and did join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 August 2012 and of the LGPS 31 August 2012.

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

#### Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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 (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period 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 last valuation of the TPS related to the period 1 April 2001 – 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

# **YESOIDAY HATORAH SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD 22 MARCH 2011 TO 31 AUGUST 2012**

### **26. Pension and other obligations (continued)**

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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 and the implications for the academy in terms of the anticipated contribution rates.

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 26. Pension and similar obligations (continued)

#### 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 period ended 31 August 2012 was £29,228 of which employer's contributions totalled £20,884 and employees' contributions totalled £8,344.

The agreed contribution rates for future years are 14.1 per cent for employers and 7 per cent for employees.

#### Principal Actuarial Assumptions

At 31  
August  
2012

Rate of increase in salaries	4.00%
Rate of increase for pensions in payment / inflation	2.20%
Discount rate for scheme liabilities	4.10%
Inflation assumption (CPI)	2.90%
Commutation of pensions to lump sums	50%

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

At 31  
August  
2012

#### *Retiring today*

Males	20.1
Females	22.9

#### *Retiring in 20 years*

Males	22.5
Females	25



# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 26. Pension and similar obligations (continued)

#### Local Government Pension Scheme (Continued)

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £(000)
Equities	5.50%	214
Bonds	3.40%	62
Property	3.70%	16
Cash	2.80%	19
<b>Total market value of assets</b>		<b>311</b>
Present value of scheme liabilities		
- Funded		(337)
<b>Surplus/(deficit) in the scheme</b>		<b>(26)</b>

The above asset values are at bid value as required under FRS 17

The actual return on scheme assets was £24,000 (2011: (£11,000))

The actuarial gains and losses for the current period are recognised in the SOFA

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £26,000 loss

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 26. Pension and similar obligations (continued)

#### Local Government Pension Scheme (Continued)

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

	2012 £(000)
At 31 August 2011	247
Current service cost	19
Interest cost	14
Employee contributions	13
Actuarial (gain)/loss	46
Benefits paid	(2)
Past Service cost	0
Curtailments and settlements	0
At 31 August 2012	<u>337</u>

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

At 31 August 2011	261
Expected return on assets	16
Actuarial gain/(loss)	8
Employer contributions	15
Employee contributions	13
Benefits paid	(2)
At 31 August 2012	<u>311</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £15,000

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 26. Pension and similar obligations (continued)

#### Local Government Pension Scheme (Continued)

The five-year history of experience adjustments is as follows

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
<b>Present value of defined benefit obligations</b>	<b>(337)</b>	<b>(247)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fair value of share of scheme assets</b>	<b>311</b>	<b>261</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deficit in the scheme</b>	<b>(26)</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Experience adjustments on share of scheme assets</b>					
Amount £'000*	8	(18)	0	0	0
<b>Experience adjustments on scheme liabilities:</b>					
Amount £'000*	(3)	0	0	0	0

# YESOIDAY HATORAH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD 22 MARCH 2011 TO 31 AUGUST 2012

### 27. Related Party Transactions

No transactions with related parties, disclosable under Financial Reporting Standard 8 and the Charities SORP 2005, were entered into during the period

### 28. Conversion to an Academy Trust

On 1st April 2011 Yesoiday HaTorah School converted from a Voluntary Aided school to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Yesoiday HaTorah School from the governors of Yesoiday Hatorah School for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as Income Resources/ Resources Expended in the Statement of Financial Activities

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA -

	Unrestricted Funds	Restricted Funds	Pension Fixed Asset Funds	Restricted Fixed Asset Funds	2012 Total
<b>Incoming Resources:</b>					
Tangible Fixed Assets	0	58,000	0	3,183,000	<b>3,241,000</b>
Surplus Funds	0	55,235	0	0	<b>55,235</b>
LGPS Pension	0	0	14,000	0	<b>14,000</b>
<b>Net Assets</b>	<b>0</b>	<b>113,235</b>	<b>14,000</b>	<b>3,183,000</b>	<b>3,310,235</b>

Surplus Funds transfer on Academy conversion includes what was left of the £25,000 funding for Academy start up costs

The above net assets include £55,235 that was transferred as cash. NCSL ring fenced funds are included in this amount. Closing debtors and creditors were also transferred on conversion amounting to a net asset of £12,105

Tangible Fixed Assets relates to -

Freehold land & school buildings £3,183,000 transferred at valuation. The value is the opinion of the trustees and the basis is open market value

Sundry assets amounting to £58,000 relates to furniture and equipment (£50,000) and IT equipment (£8,000)