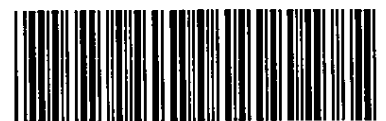


ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012



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**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2012**

Governors

J Appleby (appointed 27 May 2011)
A Boyle (appointed 14 May 2012)
S Dyer (appointed 24 May 2012)
C Galliers, Headteacher (appointed 9 May 2011)¹
D Hale (appointed 24 November 2011)
E Hall (appointed 27 May 2011)¹
A Miller (appointed 27 May 2011)¹
L Sheffield (appointed 27 May 2011)
C A Smith, Chair (appointed 9 May 2011)¹
K Soumilas (appointed 27 May 2011)
G Tomlinson, Responsible Officer (appointed 27 May 2011)
M Wilson (appointed 27 May 2011)
G Wrathall (appointed 9 May 2011)
C Bray (appointed 27 May 2011, resigned 6 July 2011)
J Bye (appointed 27 May 2011, resigned 22 May 2012)¹
A Crooks (appointed 27 May 2011, resigned 10 July 2012)
J Kittow (appointed 27 May 2011, resigned 24 May 2012)
S Roxborough (appointed 9 May 2011, resigned 15 May 2012)
S Fenna (appointed 27 May 2011)
R Hughes (appointed 5 May 2011, resigned 11 July 2012)

¹ Finance Committee

**Company registered
number** 07626956

**Principal and Registered
office** The Dell
Westbury-on-Trym
Bristol
BS9 3UF

Company secretary S Rupprecht

Accounting officer C Galliers

**Senior Management
Team** C Galliers, Headteacher
L Sheffield, Deputy Head
J Kittow, Assistant Head
J Hoskins, Special Educational Needs Coordinator
S Rupprecht, School Business Manager

Auditors Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Bankers Lloyds TSB Bank PLC
15 High Street
Westbury on Trym
Bristol
BS9 3DA

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

FOR THE PERIOD ENDED 31 AUGUST 2012

Advisers (continued)

Solicitors	Rickerbys LLP Ellenborough House Wellington Street Cheltenham GL50 1YD
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**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT
FOR THE PERIOD ENDED 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 (was incorporated on 9 May 2011 and opened as an Academy on 1 July 2011) is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Governors act as the Trustees for the charitable activities of Elmlea Junior School and are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served throughout the period, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they cease to be a member.

Governors' Indemnities

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.

Principal Activity

The principal undertaking of the Academy is to provide free education for children from the local community of all abilities, between the ages of 7 and 11.

GOVERNORS

Method of recruitment and appointment or election of Governors

On conversion, the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, to enable a staggered succession plan.

The Academy's Governing Body usually has 17 members comprising the Headteacher and Staff Governors (not exceeding a third of the total), Parent Governors (minimum of two) and Appointed Governors (maximum of eight).

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, consideration is given to the diversity, skills and experience mix of existing Governors to ensure that the Board is a fair representation of the school community and collectively there is the necessary knowledge and skills to support the Academy's development.

Policies and Procedures adopted for the Induction and Training of Governors

The Governors' induction policy is within the Governors' Handbook, which is updated annually.

A succession plan has been developed to facilitate a steady turnover and effective handover, whereby new governors are recruited early and have an opportunity to observe meetings before their term of office begins.

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

**GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012**

governors are introduced to the school through an informal meeting and tour with the Head teacher and there is a chance to meet with staff and pupils. A mentoring system is in place and comprehensive training is available through the Governor Development Service. The Academy arranges bespoke training days to keep Governors updated on relevant developments impacting on their roles and responsibilities and/or to consider school strategy.

Organisational Structure

The Board of Governors normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are four committees as follows,

- Finance Committee - meets five times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels.
- Curriculum Committee - meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and all pastoral issues.
- Premises, Health and Safety Committee – meet four times a year and acts as the safety committee for the rest of the school. The welfare of children and staff is uppermost in its priorities and so all matters relating to the school building, premises and health and safety are monitored, evaluated and reviewed by this committee.
- Staffing Committee – meets four times a year to ensure that the responsibilities of the governing body in relation to all staff matters are fulfilled.

The following decisions are reserved to the Board of Governors, to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Governors.

The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Academy has a leadership structure which consists of the Governors, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees and Board of Governors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Assistant Headteacher, Special Educational Needs Coordinator (SENCo) and the School Business Manager (SBM). The SLT implement the policies laid down by the Governors and report back to them on performance.

The Headteacher is the Accounting Officer.

Risk management

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

**GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012**

Connected Organisations, including Related Party

There are no related parties controlling the decisions of the Elmlea Junior School Board

Significant connected organisations are

- Elmlea Infant School formally paired with the Academy for school admissions
- The Junior School Association, the Academy's related Parent Teacher Association

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities

The vision for the school is focussed upon the personal development and well-being of the school community as the solid foundation on which learning becomes more effective. The school's motto is 'Caring to learn, learning to care'

The aims of the school are summarised below

- Continue to raise the standard of educational attainment and achievement of all pupils
- Ensure that every child makes at least two levels of progress in English and Maths from the end of KS1 assessments to KS2 'Statutory Assessment Tests' (SATs)
- As a school with high attaining children on entry at KS1, focus upon maximising the number of pupils who achieve Level 5 (ie above expected level for end of KS2)
- Prepare more capable students for the level 6 assessments, introduced in 2012
- Continue to provide, review and develop a broad and balanced modern curriculum which anticipates and matches the needs for future society
- Provide a wide range of extra curricular activities which complements the core curriculum
- Develop pupils as effective independent and self-motivated learners
- Develop the Academy's site and resources so that it enables students to achieve their full potential
- Ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- Continue to monitor, review and evaluate effectiveness of organisational structure and systems
- Develop the school's capacity to manage change
- Maintain close links with the community and other local schools
- Provide value for money for the funds expended
- Comply with all appropriate statutory and curriculum requirements
- Conduct the school's business in accordance with the highest standards of integrity, probity and openness

Public Benefit

The Governors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities

Objectives, Strategies and Activities

Key priorities for the academic year ending August 2012 were outlined in the School Development Plan. Improvement focus areas included

- 1) To achieve/exceed the ambitious targets for the 2012 cohort in English and Mathematics for their KS2 SAT assessments due in May 2012 – (See Achievement and Performance). These targets were set when the cohort was in Year 5 and were set above the benchmarked guidance for this cohort in the main national databases -

**GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012**

Fischer Family Trust B & D and Raise-online

2) Through implementing a highly effective Performance Management Programme and use of training and coaching methods, the school aims to maintain the best quality teachers who will have the greatest impact on the pupils' learning. This is supported through the use of lesson observation as well as analysis of pupils' work and both parent and pupil feedback.

3) Development and embedding of key financial and administrative procedures arising from conversion

4) Curriculum Focus Areas

Literacy

- Speaking and Listening Introduced as a whole school focus with the aim to ultimately have an impact on the standards of writing. Based on Pie Corbett's training and methods, focussing on how effectively children speak – the impact should be measured in the improvement in the children's standard of writing.
- Writing Subject leaders to monitor teacher assessment of children's writing. Focus upon the teaching of high attaining writers (Level 3 on entry at KS1) and ensure that this focus group of pupils continue to make consistent progress through the four years. Strategy- to observe and coach this group of pupils within each class by the subject leaders.
- Reading Each child to make two fine grades progress each year.

Maths

- Continue to sustain the high percentage of Level 5 mathematicians and prepare able students for the Level 6 curriculum.

ICT

- Increase opportunities for use of ICT for Year 6 pupils through mobile provision, such as the netbooks as well as timetabled slots in the ICT suite. The introduction of class net books supports the strategy of bringing ICT into the classroom to embed its use across the curriculum.
- Launch of school website and blog for improved communication with parents and to promote the school within the community.

Science

- Application for Primary Science Quality Mark

International School Status

- Development of Ugandan link school relationship

ACHIEVEMENTS AND PERFORMANCE

Performance Measures

Pupil Numbers

The school's funding is based on pupil numbers and so this is an important measure and central to the school's capacity to deliver its development plans. The trend is that pupil numbers are secure and rising. The number on roll at the end of the 11/12 academic year was 328. This has risen to 338 in September 2012.

**GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012**

Attendance

Attendance continues to be very good running at 97%

Attainment

Challenging targets were established two years ago for this cohort of 2012 for their end Key Stage 2 SATS. In this particular cohort, two pupils had statements of Special Educational Needs and three further pupils were classed as School Action Plus- requiring additional support for their learning needs. In 2011, the school achieved 97% of pupils attaining Level 4 (the Nationally Expected level of attainment for pupils aged 11 years) in both English and Maths. In 2012, 92% of pupils attained Level 4 in combined English and Maths and this result is a direct reflection of the cohort having a small group of pupils with significant medically diagnosed needs which impacted on the children's cognitive ability - multiple cognitive learning difficulties, as well as pupils with significant Attention Deficit Disorder.

Year on year comparisons	2008	2009	2010	2011	2012
Percentage achieving Level 4 or above in both English and mathematics	94%	82%	91%	97%	92%
Percentage achieving Level 5 or above in both English and mathematics	35%	38%	47%	47%	53%

Rather than using the threshold data for Level 4, a better measure of the school's performance of the children who did not meet national expectations in attainment is to measure their progress on entry from KS1. These particular pupils with SEN made significant progress.

The results of the higher attaining pupils are particularly notable, with comparatively high percentages of pupils attaining Level 5 in English, Maths and Science. Significant improvement has been made in the percentage of pupils attaining Level 5 (above National Expectations of Attainment) in English- from 55% in 2011 to 61% in 2012. This reflects the high quality teaching of writing and the impact from the training by the Writing Subject Leaders in both lower and upper Key Stage 2.

For the third year, the trend in Level 5's in Maths is sustained in the sixties at 63% with eight children attaining Level 6. The Average Point Score is 30.5 which is the highest it has ever been.

Rates of Progress

Whilst the percentage for making two levels of progress in English is in line with previous results there is generally an upward trend over the last three years, from 82% in 2010, to 87% in 2011 and most recently 87% in 2012. The comparators for mathematics were 92% in 2010, and 95% in 2011, with 87% in 2012.

Rapid Progress

Maths One child moved from working below level 1 to a level 3 in maths, ten children made rapid progress of three levels from Level 2 to Level 5 and a further eight children made the same rate of progress from Level 3 to Level 6. i.e. 19 children made significantly better than the nationally expected rate of progress.

This is quite an achievement for a school that has high attaining pupils on entry from KS1, not only exceeding national rates of expected progress over the four years at KS2- but moving over a quarter of the cohort at a rapid rate of progress.

English Eight children made significantly better than the nationally expected rate of progress- by moving from level 2 to level 5.

Although, these figures are difficult to exemplify in the league tables, the conversion graphs provided in Raise-online provide the detail.

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012**

SATS Results for 2012

	Targets for 2012	Actual SAT Results for 2012	National Comparisons from ROL 2012
English at L4+	93%	93%	85%
English at L5+	61%	61%	37%
English at L6 (new to 2012)	-	1% (reading)	0%
Two levels of progress in English	90%	87%	89%
Mathematics at L4+	94%	93%	84%
Mathematics at L5+	66%	63%	39%
Mathematics at L6	-	11%	3%
Two levels of progress in Maths	91%	87%	87%
English and Maths at Level 4+	94%	92%	79%
English and Maths at Level 5+		53%	27%

OFSTED

Elmlea Junior School was inspected by OFSTED in 2008 and was judged to be Outstanding. The 2011 Education Bill proposed that, from January 2012, schools that were previously judged to be outstanding will not be subject to routine inspection unless concerns are raised about their performance. To help decide whether there is a need to inspect an outstanding school, Her Majesty's Inspectors look at various sources of information, as listed below. This is called an 'interim assessment'. In carrying out the interim assessment, HMI considered the following:

- pupils' academic performance
- pupils' attendance
- any inspection visits carried out by Ofsted since the last routine inspection
- qualifying complaints about the school by parents or carers
- any other significant concerns brought to Ofsted's attention

The results of the interim assessment of May 2011 for Elmlea Junior School concluded that performance had been sustained and that therefore they would not be inspecting the school unless they received further information that raised concerns. HMI will continue to undertake annual assessments of the school's performance.

The above high standards are as a result of the following strategies being implemented through the year and demonstrate the excellent teaching at Elmlea Junior School. These achievements and those below were shared and celebrated at the end of year staff meeting in 2012 with the governing body.

Highlights of Academic Year 11/12

A whole school focus upon pupils speaking and listening skills was implemented through training and policy. This included higher expectations of pupils speaking in complete sentences in all school contexts, a weekly choral poetry performance by each class in assembly as well as a lunchtime club for children to rehearse and enter the LAMDA assessment. Five children entered and passed the LAMDA assessment with one pupil achieving a distinction. The impact of this training and provision can be measured by the improvement in the English results particularly in the rise in standards of writing across the school.

During the year the Academy made significant investment in ICT. Infrastructure upgrades were needed to make it robust for delivering the vision of extended and improved ICT provision in the classroom now and in the future. A wireless network was installed and netbook laptops became a key resource in Year 6 classes, having an impact on the core subject results as well as providing the children with opportunities to explore and research in

**GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012**

topic to support the broad curriculum

The Academy grounds were improved through the landscaping of the courtyard – an important and sizeable project bringing to life the creative ideas of the pupils for this new outdoor area that was left as a blank canvas after the completion of the recent building extension. A climbing wall was added and a new outside lighting scheme was installed – an identified health and safety need.

Examples of other successes

- Girls' cricket team compete in the County Finals
- Many curriculum links with the Olympics
- Y6 visit to the Paralympics in the Olympic Park, London
- Wide range of opportunities for pupils including over 35 after school clubs
- Creation of class vegetable plots - the produce is being used in the school kitchen and eaten by the children!
- Introduction of Italian and German in Year 6, with pupils in Years 3-5 learning French
- Wide range of experiences and opportunities including Ballet Rambert performance at the school
- Primary Science Quality Mark (Gold award achieved)
- Successful Science Week during which the whole school became a Forensic Science Scene

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the EFA 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 31 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 and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the period ended 31 August 2012, total expenditure of £1,236m was covered by recurrent grant funding from the DfE. The excess of total income (Restricted and Non-Restricted) over expenditure for the period (excluding restricted fixed asset funds) was £34k. This includes previous surplus balance of £70k carried forward on conversion to Academy status.

At 31 August 2012 the net book value of fixed assets was £235k and movements in tangible fixed assets are shown in note 18 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2012 at £2,912,236. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

Key financial policies adopted or reviewed during the period include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Governors have adopted a Responsible Officer Policy and appointed Gillian Tomlinson, a Governor who is not a member of the Finance Committee, to undertake a programme of internal checks on financial controls. During

**GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012**

the period, the Governors received the initial report from the Responsible Officer which contained no matters of significance

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial and Risk Management Objectives and Policies

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Governors and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Academy is well-subscribed and the risk to revenue funding from a falling roll is perceived to be small. However, the freeze on the Government's overall education budget, changes in funding arrangements and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors consider that the Academies Funding Reform 2013/14 will have a negative financial impact on Elmlea Junior School in future years and will be monitoring financial performance as detailed below to mitigate these effects.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the period end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In this period 94% of the Academy's recurring incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependant on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that pupils' progress and attainment are closely monitored and reviewed.

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012**

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management throughout the period by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

Investment Policy

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Head teacher and School Business Manager within strict guidelines approved by the Governing Body.

PLANS FOR FUTURE PERIODS

The school continues to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. This is underpinned by the school's aim to continue to attract and develop high quality staff.

Objectives, Strategies and Activities for 2012-2013

Key priorities for the year ending August 2013 are outlined in the School Development Plan. Improvement focus areas for the year build upon the strategies of 2011-2012 and include:

- Through highly effective Performance Management and the use of training and coaching methods, the school's aim is to maintain the best quality teachers who will have the greatest impact on the pupils' learning.
- Ambitious targets have been set for the end of KS2 SAT assessments in May 2013, which are above the benchmarked guidance for this cohort in the main national databases - Fischer Family Trust B & D and Raise-online.
- Review and develop support functions, focussing on administration and finance to ensure structure, systems and procedures are aligned to deliver the business needs of an independent academy school.

Curriculum Focus Areas:

ICT

- Further improve the access to ICT across the school through mobile provision as well as timetabled slots in the ICT suite. The introduction of class net books in Years 4 and 5 further promotes the strategy of bringing ICT into the classroom to embed its use across the curriculum.
- Embed and further develop the school website/blog for improved communication with parents and to promote the school within the community.

Literacy

- Reading: Each child to make two fine grades progress each year.
- Writing: Further embedding of subject leaders monitoring of teacher assessment of children's writing. Continue to focus upon high attaining writers.

**GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012**

Maths

- Effective use of ICT to enhance children's learning –specifically mental maths

International School Status

- Further development of Ugandan link school relationship

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Governors do not act as the Custodian Trustees of any other Charity

AUDITORS

In so far as the Governors are aware

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

The auditors, Bishop Fleming, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting

This report was approved by order of the members of the Governing Body on 22 November 2012 and signed on its behalf by



**C A Smith, Chair
Governor**

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Elmlea Junior 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Elmlea Junior 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.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Governing Body have formally met 7 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
J Appleby (appointed 27 May 2011)	6	7
A Boyle (appointed 14 May 2012)	1	2
S Dyer (appointed 24 May 2012)	2	2
C Galliers, Headteacher (appointed 9 May 2011)	6	7
D Hale (appointed 24 November 2011)	4	5
E Hall (appointed 27 May 2011)	4	7
A Miller (appointed 27 May 2011)	5	7
L Sheffield (appointed 27 May 2011)	7	7
C A Smith, Chair (appointed 9 May 2011)	6	7
K Soumilas (appointed 27 May 2011)	4	7
G Tomlinson, Responsible Officer (appointed 27 May 2011)	7	7
M Wilson (appointed 27 May 2011)	5	7
G Wrathall (appointed 9 May 2011)	5	7
C Bray (appointed 27 May 2011, resigned 6 July 2011)	1	1
J Bye (appointed 27 May 2011, resigned 22 May 2012)	5	5
A Crooks (appointed 27 May 2011, resigned 10 July 2012)	6	6
J Kittow (appointed 27 May 2011, resigned 24 May 2012)	6	6
S Roxborough (appointed 9 May 2011, resigned 15 May 2012)	3	5
S Fenna (appointed 27 May 2011)	1	7
R Hughes (appointed 5 May 2011, resigned 11 July 2012)	7	7

S Fenna and R Hughes attended the core visits with the School Improvement Partner.

The **Finance Committee** is a sub-committee of the main Governing Body. Its purpose is to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the period was as follows

Governor	Meetings attended	Out of a possible
J Bye	3	5
C Galliers	6	6
E Hall	2	6
A Miller	6	6
C Smith	6	6

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Elmlea Junior 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 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 ongoing process for identifying, evaluating and managing the Academy'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's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Miss G Tomlinson, a Governor who is not a member of the Finance Committee, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The RO is also supported by the external auditors in this role.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher 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 financial management and governance self-assessment process,
- the work of the executive managers within the Academy who have responsibility for the development and

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

maintenance of the internal control framework

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

22/11/12

Approved by order of the members of the Governing Body on and signed on their behalf, by

C A Smith

**C A Smith, Chair
Governor**

Clare Galliers

**C Galliers, Headteacher
Governor**

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Elmlea Junior School I have considered my responsibility to notify the Academy 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 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 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'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.



C Galliers
Accounting Officer

Date: 22 November 2012

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012**

The Governors (who act as trustees for charitable activities of Elmlea Junior 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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 and signed on its behalf by



C A Smith, Chair
Governor

Date 22 November 2012

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELMLEA JUNIOR SCHOOL

We have audited the financial statements of Elmlea Junior School for the period ended 31 August 2012 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Academy'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.

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 period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELMLEA JUNIOR SCHOOL

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square

Bristol

BS1 4NT

Date 1/12/12

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ELMLEA
JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 July 2011 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 Elmlea Junior School during the period 1 July 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 Elmlea Junior School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Elmlea Junior 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 Elmlea Junior School and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ELMLEA JUNIOR SCHOOL'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Elmlea Junior School's funding agreement with the Secretary of State for Education dated [enter date here], and the Academies Financial Handbook as published by DfE in 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 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 July 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 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's income and expenditure.

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ELMLEA
JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 July 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



Bishop Fleming
Chartered Accountants

16 Queen Square
Bristol
BS1 4NT

Date 1/12/12

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure account and a Statement of Total Recognised Gains and Losses)
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Transfer from Local Authority on conversion	3	70,325	(155,676)	2,985,406	2,900,055
Other voluntary income	3	50,203	2,665	8,870	61,738
Activities for generating funds	4	13,306	-	-	13,306
Investment income	5	949	-	-	949
Incoming resources from charitable activities	6	57,409	1,444,664	-	1,502,073
TOTAL INCOMING RESOURCES		192,192	1,291,653	2,994,276	4,478,121
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	7	1,471	-	-	1,471
Charitable activities	13	69,051	1,274,092	69,885	1,413,028
Governance costs	9	-	22,413	-	22,413
TOTAL RESOURCES EXPENDED	12	70,522	1,296,505	69,885	1,436,912
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		121,670	(4,852)	2,924,391	3,041,209
Transfers between Funds	21	-	(57,733)	57,733	-
NET INCOME FOR THE YEAR		121,670	(62,585)	2,982,124	3,041,209
Actuarial gains and losses on defined benefit pension schemes		-	(25,000)	-	(25,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		121,670	(87,585)	2,982,124	3,016,209
Total funds at 9 May 2011		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2012		121,670	(87,585)	2,982,124	3,016,209

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

The Statement of Financial Activities includes all gains and losses recognised in the period

The notes on pages 25 to 42 form part of these financial statements

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07626956**

**BALANCE SHEET
AS AT 31 AUGUST 2012**

	Note	£	2012 £
FIXED ASSETS			
Tangible assets	18		2,982,124
CURRENT ASSETS			
Debtors	19	31,574	
Cash at bank and in hand		351,277	
		<u>382,851</u>	
CREDITORS: amounts falling due within one year	20	(117,766)	
NET CURRENT ASSETS			<u>265,085</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,247,209</u>
Defined benefit pension scheme liability	26	(231,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>3,016,209</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
General funds	21	143,415	
Fixed asset funds	21	2,982,124	
		<u>3,125,539</u>	
Restricted funds excluding pension liability		(231,000)	
Pension reserve		<u>(231,000)</u>	
Total restricted funds			<u>2,894,539</u>
Unrestricted funds	21		<u>121,670</u>
TOTAL FUNDS			<u><u>3,016,209</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 22 November 2012 and are signed on their behalf, by


C Galliers, Headteacher

The notes on pages 25 to 42 form part of these financial statements

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012**

	Note	2012 £
Net cash flow from operating activities	23	306,827
Returns on investments and servicing of finance	24	404
Capital expenditure and financial investment	24	(66,603)
Cash transferred on conversion to an Academy Trust	25	110,649
INCREASE IN CASH IN THE PERIOD		351,277

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

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2012**

	2012 £
Increase in cash in the period	351,277
MOVEMENT IN NET FUNDS IN THE PERIOD	351,277
NET FUNDS AT 31 AUGUST 2012	351,277

The notes on pages 25 to 42 form part of these financial statements

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, the Academies Accounts Direction 2011/12 as issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 COMPANY STATUS

The Academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

1.3 FUND ACCOUNTING

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.4 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the Academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

1. ACCOUNTING POLICIES (continued)

1.5 RESOURCES EXPENDED

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 GOING CONCERN

The governors have assessed whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors have made this assessment in respect of a period of one year from the date of approval of the financial statements. The governors conclude that it is appropriate to prepare the accounts on the going concern basis for the period ended 31 August 2012.

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	-	2% Straight Line
Office equipment	-	10-15% Straight Line
Computer equipment	-	20% Straight Line

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

1. ACCOUNTING POLICIES (continued)

1.8 TAXATION

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

1.9 PENSIONS

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

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

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

1.10 CONVERSION TO AN ACADEMY TRUST

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

The assets and liabilities transferred on conversion from Elmlea Junior 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 Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

2. GENERAL ANNUAL GRANT (GAG)

	2012 £
Result and Carry Forward for the Period	
GAG Allocation for current period	1,334,066
Total GAG Available to spend	1,334,066
Recurrent expenditure from GAG	(1,191,939)
Fixed assets purchased from GAG	(27,381)
GAG Carried forward to next year	114,746
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(139,274)
GAG to surrender to DfE	(24,528)
(12% rule breached if result is positive)	No breach

The maximum GAG carried forward is based on 12 months to 31 August 2012, however the results for the period included the full 14 month accounting period. The results during the period have been considered and no breach has been identified.

3. VOLUNTARY INCOME

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Transfer from Local Authority on conversion	70,325	2,829,730	2,900,055
Donations	50,203	11,535	61,738
Voluntary income	120,528	2,841,265	2,961,793

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Lettings	10,914	-	10,914
Fees received	1,965	-	1,965
Other	427	-	427
	13,306	-	13,306

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

5. INVESTMENT INCOME

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Bank interest	949	-	949

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
DfE/EFA revenue grant			
General Annual Grant	-	1,334,066	1,334,066
Start up Grants	-	25,000	25,000
Other DfE/EFA grants	-	12,703	12,703
Special Educational Needs	-	31,000	31,000
Devolved formula capital	-	15,324	15,324
	-	1,418,093	1,418,093
Other grant funding			
Uganda funding	-	5,680	5,680
GTP funding	-	13,348	13,348
Other funding	-	7,543	7,543
Cluster funding	4,232	-	4,232
	4,232	26,571	30,803
Other educational income			
Internal catering income	53,177	-	53,177
	53,177	-	53,177
	57,409	1,444,664	1,502,073

7. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
School fundraising costs	1,471	-	1,471

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

8. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Education	69,051	1,343,977	1,413,028

9. GOVERNANCE COSTS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Auditors' remuneration	-	3,950	3,950
Auditors' non audit costs	-	3,406	3,406
Responsible Officer Costs	-	1,980	1,980
Legal and Professional	-	9,187	9,187
Governor training costs	-	2,250	2,250
Governance expense - wages and salaries	-	1,477	1,477
Governance expense - pension costs	-	163	163
	-	22,413	22,413

10 DIRECT COSTS

	Education £	Total 2012 £
Pension finance costs	12,000	12,000
Educational supplies	20,817	20,817
Examination fees	1,771	1,771
Staff development	5,053	5,053
Other costs	8,108	8,108
Supply teachers	10,647	10,647
Technology costs	10,728	10,728
Legal and professional	6,206	6,206
Wages and salaries	760,555	760,555
National insurance	58,722	58,722
Pension cost	96,872	96,872
	991,479	991,479

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
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11. SUPPORT COSTS

	Education £	Total 2012 £
Other costs	37,470	37,470
Recruitment and other staff costs	1,301	1,301
Maintenance of premises and equipment	21,712	21,712
Cleaning	1,253	1,253
Rates	8,770	8,770
Heat and light	21,569	21,569
Insurance	29,568	29,568
Security and transport	7,888	7,888
Catering	63,678	63,678
Technology costs	1,542	1,542
Office overheads	17,570	17,570
Legal and professional	20,748	20,748
Bank interest and charges	545	545
Wages and salaries	93,287	93,287
National insurance	3,967	3,967
Pension cost	20,796	20,796
Depreciation	69,885	69,885
	<u>421,549</u>	<u>421,549</u>

12 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £
Costs of generating voluntary income	-	-	1,471	1,471
COSTS OF GENERATING FUNDS	-	-	1,471	1,471
Education	1,034,199	69,885	308,944	1,413,028
Governance	1,640	-	20,773	22,413
	<u>1,035,839</u>	<u>69,885</u>	<u>331,188</u>	<u>1,436,912</u>

13 ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2012 £	Support costs 2012 £	Total 2012 £
Education	<u>991,479</u>	<u>421,549</u>	<u>1,413,028</u>

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14 NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	2012 £
Depreciation of tangible fixed assets	
- owned by the charity	69,885
Auditors' remuneration	3,950
Auditors' remuneration - non-audit	3,406
	<u> </u>

During the period, no Governors received any benefits in kind
 1 Governor received reimbursement of expenses amounting to £507 in the current period

15 STAFF COSTS

Staff costs were as follows

	2012 £
Wages and salaries	855,319
Social security costs	62,689
Other pension costs ²⁶⁾	117,831
	<u> </u>
	<u>1,035,839</u>

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

	2012 No
Teachers	14
Learning support	3
Administration and other support	5
Management	4
	<u> </u>
	<u>26</u>

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

	2012 No.
In the band £60,001 - £70,000	1
	<u> </u>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for this member of staff amounted to £8,642

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16. GOVERNORS' REMUNERATION

During the period retirement benefits were accruing to 4 Governors in respect of defined benefit pension schemes

The Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration during their period of office in the 14 month period to 31 August 2012 was as follows: Miss C Galliers, Headteacher £10,215 (2 months) £61,288 (12 months), Mrs J Kittow, Staff Governor £35,072, Miss L Sheffield, Staff Governor £7,253 (2 months) £44,526 (12 months), Mr S Dyer, Staff Governor £7,359. During the period expenses of £507 were reimbursed to one governor.

17 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 £5,000,000 on any one claim and the cost for the period ended 31 August 2012 was £2,000.

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

18 TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Office equipment £	Computer equipment £	Total £
COST				
At 9 May 2011	-	-	-	-
Additions	18,279	2,592	45,732	66,603
Transfer on conversion	2,947,689	18,510	19,207	2,985,406
At 31 August 2012	<u>2,965,968</u>	<u>21,102</u>	<u>64,939</u>	<u>3,052,009</u>
DEPRECIATION				
At 9 May 2011	-	-	-	-
Charge for the period	53,732	3,165	12,988	69,885
At 31 August 2012	<u>53,732</u>	<u>3,165</u>	<u>12,988</u>	<u>69,885</u>
NET BOOK VALUE				
At 31 August 2012	<u>2,912,236</u>	<u>17,937</u>	<u>51,951</u>	<u>2,982,124</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. DEBTORS

	2012 £
Trade debtors	140
Other debtors	15,430
Prepayments and accrued income	16,004
	<u>31,574</u>

20. CREDITORS.
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £
Trade creditors	76,913
Social security and other taxes	14,753
Other creditors	13,788
Accruals and deferred income	12,312
	<u>117,766</u>

21 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	-	192,192	(70,522)	-	-	121,670

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

21 STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	-	1,334,066	(1,191,939)	(27,381)	-	114,746
Special needs funding	-	31,000	(31,000)	-	-	-
Donations	-	2,665	-	-	-	2,665
Pupil premium	-	12,703	(12,703)	-	-	-
Start up grant	-	25,000	(25,000)	-	-	-
Devolved formula capital	-	55,648	-	(30,352)	-	25,296
Other Restricted Funds	-	26,571	(25,863)	-	-	708
Pension reserve	-	(196,000)	(10,000)	-	(25,000)	(231,000)
	-	1,291,653	(1,296,505)	(57,733)	(25,000)	(87,585)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	-	2,985,406	(59,985)	-	-	2,925,421
Fixed assets purchased from GAG	-	-	(5,347)	27,381	-	22,034
DfE/EFA Capital grants	-	-	(4,553)	30,352	-	25,799
Fixed Assets Donations	-	8,870	-	-	-	8,870
	-	2,994,276	(69,885)	57,733	-	2,982,124
Total restricted funds	-	4,285,929	(1,366,390)	-	(25,000)	2,894,539
Total of funds	-	4,478,121	(1,436,912)	-	(25,000)	3,016,209

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the school

Direct Special Educational Needs (SEN) funding is received from the Local Authority to cater for children with statements of special educational needs

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged pupils

Startup grant is funding from the Department for Education to cover costs of converting to an academy

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

21. STATEMENT OF FUNDS (continued)

such as, obtaining legal advice, costs of software license transfer, HR/TUPE advice, rebranding costs and expenses incurred in setting up the Academy

Devolved formula capital grants represent funding from the EFA to cover the maintenance and purchase of the schools assets

Other Restricted Funds includes the following

- GTP income of £13,348
- Uganda funding of £5,680
- Other grants for less than £1,000 for reimbursement of staffing costs

The pension fund represents the Local Government Pension Scheme deficit

FIXED ASSETS FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from Bristol City Council on conversion to an academy

General Annual Grant represents amounts spent on fixed assets from the GAG funding received from the EFA

DfE/EFA Capital grants represents the amount of Devolved formula capital spend on fixed assets in the period

Donations represent amounts donated to be spent on specific fixed asset additions

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	192,192	(70,522)	-	-	121,670
Restricted funds	-	1,291,653	(1,296,505)	(57,733)	(25,000)	(87,585)
Restricted fixed asset funds	-	2,994,276	(69,885)	57,733	-	2,982,124
	-	4,478,121	(1,436,912)	-	(25,000)	3,016,209

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
Tangible fixed assets	-	-	2,982,124	2,982,124
Current assets	121,670	261,181	-	382,851
Creditors due within one year	-	(117,766)	-	(117,766)
Provisions for liabilities and charges	-	(231,000)	-	(231,000)
	121,670	(87,585)	2,982,124	3,016,209

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NOTES TO THE FINANCIAL STATEMENTS
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23. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £
Net incoming resources before revaluations	3,041,209
Returns on investments and servicing of finance	(404)
Net assets transferred on conversion	(2,900,055)
Depreciation of tangible fixed assets	69,885
Increase in debtors	(31,574)
Increase in creditors	117,766
Defined benefit pension scheme adjustments	10,000
NET CASH INFLOW FROM OPERATIONS	306,827

24 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	949
Interest paid	(545)

NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

404

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

Purchase of tangible fixed assets	(66,603)
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25. CONVERSION TO AN ACADEMY TRUST

On 1 July 2011 Elmlea Junior School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Elmlea Junior School from Bristol City Council 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 in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	2,947,689	2,947,689
- Other tangible fixed assets	-	-	37,717	37,717
Other assets and liabilities	57,245	40,324	-	97,569
LA underspend 2010-11	13,080	-	-	13,080
LGPS pension (deficit)	-	(196,000)	-	(196,000)
Net assets/(liabilities)	<u>70,325</u>	<u>(155,676)</u>	<u>2,985,406</u>	<u>2,900,055</u>

The above net assets include £110,649 that were transferred as cash

26 PENSION COMMITMENTS

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

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.

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 (FRS17) 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 FRS17 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £37,778, of which employer's contributions totalled £18,843 plus deficit repayment of £9,875. The agreed contribution rates for future years are 12.4% plus £675 per month deficit repayment for employers and 5.5-6.8% for employees.

As described in note 25 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained 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 at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	2012 £
Present value of funded obligations	(335,000)
Fair value of scheme assets	104,000
	<hr/>
Net liability	(231,000)
	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows

	2012 £
Current service cost	(27,000)
Interest on obligation	(18,000)
Expected return on scheme assets	6,000
	<hr/>
Total	(39,000)
	<hr/> <hr/>

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

	2012 £
Current service cost	27,000
Interest cost	18,000
Contributions by scheme participants	9,000
Actuarial Losses	21,000
Benefits paid	(6,000)
Liability transferred on conversion	266,000
	<hr/>
Closing defined benefit obligation	335,000
	<hr/> <hr/>

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

	2012 £
Expected return on assets	6,000
Actuarial gains and (losses)	(4,000)
Contributions by employer	29,000
Contributions by employees	9,000
Benefits paid	(6,000)
Asset transferred on conversion	70,000
	<hr/>
	104,000
	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(25,000)

The Academy expects to contribute £26,000 to its Defined benefit pension scheme in 2013

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NOTES TO THE FINANCIAL STATEMENTS
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26 PENSION COMMITMENTS (continued)

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

	2012
Equities	58.50 %
Government Bonds	12.40 %
Other Bonds	12.10 %
Other	7.80 %
Property	7.40 %
Cash	1.80 %

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

	2012
Discount rate for scheme liabilities	4.50 %
Expected return on scheme assets at 31 August	5.53 %
Rate of increase in salaries	3.80 %
Rate of increase for pensions in payment / inflation	2.30 %

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

	2012
Retiring today	
Males	22.8 years
Females	25.7 years
Retiring in 20 years	
Males	25.1 years
Females	28.1 years

The current mortality assumptions include sufficient allowance for future improvements in mortality rates

Amounts for the current period are as follows

Defined benefit pension schemes

	2012 £
Defined benefit obligation	(335,000)
Scheme assets	104,000
Deficit	(231,000)
Experience adjustments on scheme liabilities	(21,000)
Experience adjustments on scheme assets	(4,000)

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NOTES TO THE FINANCIAL STATEMENTS
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27. OPERATING LEASE COMMITMENTS

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

	Land and buildings 2012 £	Other 2012 £
EXPIRY DATE:		
Between 2 and 5 years	-	3,301

28 RELATED PARTY TRANSACTIONS

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

No such transactions have occurred during the period.

29. CONTROLLING PARTY

The Academy is under joint control of the Governors, and there is no ultimate controlling party.