

Great Corby School Academy Trust
(Company Limited by Guarantee)

Audited Financial Statements for the Period Ended
31 August 2012

Company Registration Number 07727695



**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

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GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

REFERENCE AND ADMINISTRATIVE DETAILS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the period from 3 August 2011 to 31 August 2012

| | |
|--|--|
| Registered charity name | Great Corby School Academy Trust |
| Company registration number | 07727695 |
| Principal and Registered office | Great Corby School Great Corby Carlisle CA4 8NE |

THE TRUSTEES

The trustees who served the company during the period were as follows

| | |
|---|--|
| Directors | Mr R Cromack Mr A Percy Mr C Marshall Mrs G Bowman |
| Governors | Mrs J Mottram Miss K Williamson Mr A Percy Mrs S Moss Mrs M Kennedy Mrs G Bowman Mrs L Smith Mrs R Palmer Mr C Marshall Mrs RH Palmer |
| Secretary and Clerk to the Governors | Mrs L Coulthard |
| Auditors | Saint & Co Chartered Accountants Old Police Station Ambleside Cumbria LA22 0BT |
| Bankers | Cumberland Building Society Castle Street Carlisle CA3 8RX |
| Solicitors | Dickinson Dees St Ann's Wharf Newcastle Upon Tyne NE1 3DX |

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' REPORT *(continued)*

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Academy is a Company Limited by Guarantee with no share Capital, and an exempt Charity. The Academies memorandum and articles of Association are the Governing documents. The Governors / Directors of the Academy are made up of volunteers who meet regularly through one committee, Curriculum, Staffing & Standards Committee. This committee reports to the full governing body each term. The management and running of the School is delegated to the Head teacher and the senior leadership team.

Members Liability

Each member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to contribute to the Academy Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Academy Trust's debts and liabilities before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

Governors' Indemnities

The Governors / Directors of the Academy are covered by indemnity insurance paid for by the trust.

Principle Activities

The Academy commenced its activities on 1 February 2012.

The principle activity of the Academy is 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.

Governors

The Academy's Governing body is established in accordance with the Academy's memorandum of association. Governors are elected every 4 years (with the exception of the Headteacher / Principle). Subject to remaining eligible to be a particular type of Governor any Governor may be re-appointed or re-elected.

The following Governors were in office at the 31st August 2012

| | |
|-----------|-------------------|
| Governors | Mrs J Mottram |
| | Miss K Williamson |
| | Mr A Percy |
| | Mrs S Moss |
| | Mrs M Kennedy |
| | Mrs G Bowman |
| | Mrs L Smith |
| | Mrs R Palmer |
| | Mr C Marshall |
| | Mrs RH Palmer |

No Governors received any remuneration in respect of their duties as Governors, other than Mrs J Mottram who is remunerated in her position as Headteacher / Principle, and Miss K Williamson who is remunerated in her position as Deputy Head.

During the period the Governors held three meetings

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' REPORT *(continued)*

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

Organisational structure

Great Corby Foundation School converted to Great Corby School Academy Trust by the authority of the Secretary of State for Education on the 1st February 2012. The management structure consists of three levels, the Governors and the School's senior leadership team. The aim of the management structure is to develop responsibility and encourage the involvement of decision making at all levels.

The Governors are responsible for setting general policies, adopting a school development plan and budget, monitoring the school's performance, making major policy decisions and appointing senior staff.

The current leadership Team comprises

Head teacher / Principle

Deputy Head teacher

These manage the school at an executive level, implementing the policies laid down by the Governors and reporting back to them.

Management of the school is delegated to the Head teacher. The Head teacher liaises with governors on a regular basis. Daily staff briefings are held throughout the week. The Head teacher will also meet with the representatives of the professional associations and trade union representatives when necessary.

The Head teacher is responsible for the authorisation of spending within agreed budgets and the appointment of staff.

OBJECTIVES AND ACTIVITIES

The principle objective and activity of the Academy Trust is the education of students from a wide range of abilities between the ages of 4 to 11.

In accordance with the company's articles of association the Academy Trust has adopted a Funding agreement approved by the Secretary of State for education. The funding agreement specifies, amongst other things, the basis for admitting students, the catchment area, and that the curriculum should comply with the substance of the national curriculum.

The main objectives during the period ending 31st August 2012 were investing in today to secure the future of tomorrow.

We aim for all our children to

- Achieve high academic standards
- Take responsibility for their own actions
- Make a positive contribution to the wider community
- Respect and value themselves and others
- Work as part of a team
- Maintain a healthy lifestyle

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' REPORT *(continued)*

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

Mission

We will recognise and value the diverse needs of all our children, staff and community, whilst providing a safe, secure, healthy and stimulating environment. We will promote self esteem and confidence through building a learning environment with a broad and balanced curriculum, which continually raises standards through sharing good practice and continued professional development. We will offer a variety of approaches to promote learning and a mixture of teaching styles to cater for all learners.

Strategies

To develop a stimulating, broad and rich curriculum for children to enjoy and achieve
To foster an ethos of continuous development in order to raise standards
To promote collaborative work in school and with the community
To continue to promote the ethos of good behaviour through positive strategies
To maintain and develop safe and secure site valued and respected by the community
To provide an environment where children can achieve economic wellbeing
To encourage a healthy active lifestyle

Equal opportunities

The Academy Trust aims to establish equal opportunity in all the areas of its activities, to develop a working environment where everyone's contribution is valued.

Disabled persons

The school adheres to their Equal Opportunities Policy.

PUBLIC BENEFIT

The academy trust governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. The following activities show how the academy trust has benefited the community in which they are situated.

- Community Cohesion
- Office hub
- Bulb planting
- Tree planting

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' REPORT *(continued)*

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

ACHIEVEMENTS AND PERFORMANCE

It is first year of Great Corby School as an Academy. There were many successes throughout the period.

SATs results 2012

KS2

Maths 100% level 4 of which 64% were level 5
English 100% level 4 of which 64% were level 5
Writing 100% level 4 of which 55% were level 5
Reading 100% level 4 of which 73% were level 5
Science 100% level 4 of which 54% were a level 5

KS1

Maths 100% level 2 of which 25% were level 3
English 92% level 2 of which 37% were level 3
Writing 92% level 2 of which 25% were level 3
Reading 100% level 2 of which 50% were level 3
Science 100% level 2

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.

FINANCIAL REVIEW

The academy's accounts show a surplus of £359,231. After amending this figure to reflect the net assets transferred on conversion the results show a surplus of £28,873.

The financial position of the Academy as at 31 August 2012 is summarised as follows

- (a) The revenue balance carried forward to 2012/2013 is £28,873 which represented some 1.65% of the annual budget. This sum is within the limit set by Education Funding Agency whereby grant would be reclaimed. The Governing Body has indicated that they would wish this balance to reach, cumulatively, some 3-5% of the revenue budget to provide a financial safeguard for the future. The main financial policies applied in arriving at this balance are included in the accounting policies note (page 30).

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' REPORT *(continued)*

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

- (a) The Local Government Pension Scheme as it relates to the Academy as part of the combined Cumbria/Lancashire pension fund has been valued by the actuary as having a net deficit of £73,000 as at 31 August 2012. This deficit may increase in future years if the economic climate does not improve and contributions, both employer and employee, are not increased, but the required funding is not available to reduce this significantly in the short term. However, improvements in the national economic position will obviously have a positive effect on the Academy position. This is a material figure in terms of the Academy's total assets and further details on the figures are included in note 22 to the accounts.
- (b) The main funding source for the Academy is the Education Funding Agency which provides, by way of grant, some 95% of total income. Other income is derived from out of school clubs, hire of school equipment.

The total income received has been invested in the furtherance of the outstanding education provided at the Academy by the employment of suitably qualified teaching staff, the provision of specialist staff support for both teaching and the various support functions of the Academy, the provision of suitable resources for the staff and students and the maintenance and refurbishment of the buildings and equipment.

Reserves Policy

The Governors will review and agree the levels of reserves the Academy holds in line with the EFA guidelines during 2011 - 2012. The LGPS liability will have an impact on what level these reserves should be held at.

PLANS FOR FUTURE YEARS

Strategic Intention To maintain and develop a safe secure and imaginative learning environment

- Continue to improve outdoor area throughout the school
- Review update and audit all subject areas in the light of a cross curriculum skills led approach
- Increase parent involvement in school
- To add more sessions to the nursery provision
- To take over the running of the nursery as an Early Years unit
- To develop the use of Moodle throughout the school
- To develop the role of the school in the community
- To continue to develop APP in numeracy, literacy and science throughout the school
- To continue develop a Lets Write approach to improve children's skills
- To continue to develop the use of ICT throughout the curriculum
- To continue to develop Letters and Sounds throughout EYFS and KS1
- To develop a more appropriate opportunities for gifted and talented children
- To Have 3 teaching classes EYFS, Class 1(Yr 1,2,3) Class 2(Yr 4 5 6)
- To work with other outside professionals to provide a wider breadth to our curriculum
- To teach whole school maths in ability groups

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNORS' REPORT *(continued)*

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

Responsibilities of Governors

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Academy Trust

Following conversion to Academy status the accounting period changed to 1st September to 31st August. This report covers the period from incorporation, 3rd August 2011 until 31st August 2012

In preparing financial statements giving a true and fair view the governors are required to:

- Select suitable accounting policies and apply them consistently
- Make informed judgements and estimates that are reasonable and prudent
- State that applicable accounting standards have been followed, subject to any material departures disclosed and explained within the financial statements
- Prepare the financial statements on the going concern basis.

The governors are responsible for safeguarding the assets of the Academy Trust and are taking reasonable steps for the prevention of and detection of fraud and other irregularities. They are also responsible for maintaining proper financial and accounting records which disclose with reasonable accuracy the financial position to comply with current legislation.

The Governors confirm that so far as they are aware, there is no relevant information of which the Academy Trust's auditors have not had disclosed

The activities undertaken by the Academy Trust and discussed in this report are all for the benefit of the public and in accordance with the relevant EFA general guidance

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 information and to establish that the auditor is aware of that information

Saint & Co were appointed as auditors, they are willing to continue in office and a resolution to appoint them will be proposed at the meeting

The governors' report was approved by the governors' on 18/12/2012. The subsequent events between the date of the governors meeting and the signing date have been considered. The report was signed on their behalf by the Chair of Governors

Mr Andrew Percy (Chairman)

18/12/2012

Date



GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

Statement on the system of internal finance control

As governors, we acknowledge we have overall responsibility for ensuring that the Academy has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that -

- The Academy is operating efficiently and effectively,
- Its assets are safeguarded against unauthorised use or disposition,
- The proper records are maintained and financial information used within the Academy or for publication is reliable,
- The Academy complies with relevant laws and regulations

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

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

In addition, the governors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have

- Set policies on internal controls which cover the following
 - the type of risks the Academy faces,
 - the level of risk which they regard as acceptable,
 - the likelihood of the risks materialising,
 - the Academy's ability to reduce the incidence and impact on the Academy's operations of risk that do materialise,
 - the costs of operating particular controls relative to the benefits obtained,
- clarified the responsibility of the Management Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration,
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy;

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT *(continued)*

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- included procedures for reporting failing immediately to appropriate levels of management and the governors together with details of corrective action being undertaken

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the governors have appointed Mrs M Emburey, a Bursar at Newman School, 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. At the time of preparing the accounts she has not commenced work in this role.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Risk Management

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

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The governing body has formally met 3 times during the period.

Attendance during the year at meetings of the governing body was as follows:

| Governor | Meetings attended | Out of a possible |
|--------------------------|--------------------------|--------------------------|
| Andrew Percy (Chair) | 2 | 3 |
| Jane Mottram | 3 | 3 |
| Mandy Kennedy | 3 | 3 |
| Kirsty Williamson | 2 | 3 |
| Susie Moss | 3 | 3 |
| Gillian Bowman | 3 | 3 |
| Ray Palmer | 2 | 3 |
| Lynn Smith | 3 | 3 |
| Chris Marshall | 2 | 3 |
| Ruth Harrison Palmer | 2 | 3 |
| Louise Coulthard (Clerk) | 3 | 3 |

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

GOVERNANCE STATEMENT *(continued)*

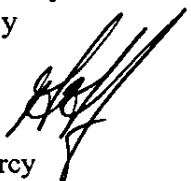
PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012


The Finance and General Purposes Committee is a sub-committee of the main governing body
Attendance at meetings in the year was as follows

| Governor | Meetings attended | Out of a possible |
|------------------|--------------------------|--------------------------|
| Andrew Percy | 0 | 3 |
| Jane Mottram | 3 | 3 |
| Lynn Smith | 1 | 3 |
| Gillian Bowman | 3 | 3 |
| Chris Marshall | 2 | 2 |
| Louise Coulthard | 2 | 3 |

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

Approved by order of the members of the governing body on 18/11/2012 and signed on its behalf by


Mr A Percy
(Chair)


Mrs J Mottram
(Accounting Officer)

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

Statement on Regularity, Propriety and Compliance

As accounting officer of Great Corby School Academy Trust 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



Mrs J Mottram
(Accounting Officer)

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT
CORBY SCHOOL ACADEMY TRUST**

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

We have audited the financial statements of Great Corby School Academy Trust for the period from 3 August 2011 to 31 August 2012 which comprise the Statement of Financial Activities, the balance Sheet 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).

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

RESPECTIVE RESPONSIBILITIES OF GOVERNING BODY AND AUDITORS

As explained more fully in the Governors' responsibilities set out on page 7, the governors (who are also the directors of Great Corby School 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.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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

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

OPINION

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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,
- have been prepared in accordance with the Companies Act 2006,

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT
CORBY SCHOOL ACADEMY TRUST *(continued)***

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

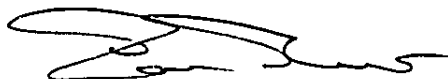
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXEPTION

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

- the charitable company has not kept adequate accounting records 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.



Ian Thompson (Senior Statutory Auditor)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

20/12/12 . Date

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE
GOVERNING BODY OF GREAT CORBY SCHOOL ACADEMY TRUST
AND THE EDUCATION FUNDING AGENCY**

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

In accordance with the terms of our engagement letter dated 22nd May 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 3 August 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 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

RESPECTIVE RESPONSIBILITIES OF GOVERNING BODY AND AUDITORS

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 3 August 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

BASIS OF OPINION

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA

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 3 August 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



Ian Thompson (Senior Statutory Auditor)
For and on behalf of
Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street, Ambleside
Cumbria, LA22 0BT

20/12/12

. Date

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

| | | | | | Total Funds Period from 3 Aug 11 to 31 Aug 12 £ |
|--|-------------|-------------------------------------|---|---|--|
| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | |
| INCOMING RESOURCES | | | | | |
| Incoming resources from generating funds: | | | | | |
| Voluntary income | 3 | 1,967 | 955 | 450 | 3,372 |
| Net assets transferred on conversion to Academy Trust | 3 | 42,690 | (141,449) | 429,117 | 330,358 |
| Investment income | 4 | 110 | - | - | 110 |
| Incoming resources from charitable activities - Funding for the Academy's educational operations | 5 | - | 228,967 | 4,709 | 233,676 |
| TOTAL INCOMING RESOURCES | | 44,767 | 88,473 | 434,276 | 567,516 |
| RESOURCES EXPENDED | | | | | |
| Charitable activities - Academy's educational operations | 6/7 | - | (192,988) | (2,892) | (195,880) |
| Governance costs | 8 | - | (8,405) | - | (8,405) |
| TOTAL RESOURCES EXPENDED | | - | (201,393) | (2,892) | (204,285) |
| NET INCOMING RESOURCES BEFORE TRANSFERS | 10 | 44,767 | (112,920) | 431,384 | 363,231 |
| NET INCOME/(EXPENDITURE) FOR THE PERIOD | | 44,767 | (112,920) | 431,384 | 363,231 |
| OTHER RECOGNISED GAINS AND LOSSES | | | | | |
| Actuarial gains in respect of defined benefit pension schemes | | | (4,000) | | (4,000) |
| NET MOVEMENT IN FUNDS RECONCILIATION OF FUNDS | | 44,767 | (116,920) | 431,384 | 359,231 |
| Total funds brought forward | | - | - | - | - |
| TOTAL FUNDS CARRIED FORWARD | | 44,767 | (116,920) | 431,384 | 359,231 |

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

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

The notes on pages 17 to 33 form part of these financial statements.


**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

31 AUGUST 2012

| | Note | £ | 31 Aug 12 £ |
|--|------|-----------------|----------------|
| FIXED ASSETS | | | |
| Tangible assets | 13 | | 432,084 |
| CURRENT ASSETS | | | |
| Debtors | 14 | 21,574 | |
| Cash at bank and in hand | | 75,918 | |
| | | <u>97,492</u> | |
| CREDITORS: Amounts falling due within one year | 15 | <u>(93,539)</u> | |
| NET CURRENT ASSETS | | | 3,953 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>436,037</u> |
| CREDITORS: Amounts falling due after more than one year | 16 | | (3,806) |
| PROVISIONS FOR LIABILITIES | | | <u>432,231</u> |
| Defined benefit pension scheme | 21 | | (73,000) |
| NET ASSETS | | | <u>359,231</u> |
| RESTRICTED FIXED ASSET FUNDS | 18 | 431,384 | |
| RESTRICTED GENERAL FUNDS: | | | |
| Restricted general funds | 19 | (112,920) | |
| Pension deficit | 19 | <u>(4,000)</u> | |
| TOTAL RESTRICTED GENERAL FUNDS | | (116,920) | |
| UNRESTRICTED FUNDS | 20 | 44,767 | |
| TOTAL FUNDS | | | <u>359,231</u> |

These financial statements were approved by the Governors on 12/12/2012 and signed on their behalf by,



... Mr A Percy (Chair)



... Mrs J Mottram (Head Teacher)

The notes on pages 17 to 33 form part of these financial statements.

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

1. ACCOUNTING POLICIES

Basis of accounting

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

Cash Flow

The governors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Going Concern

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

Conversion to an academy

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

The assets and liabilities transferred on conversion from Great Corby 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 Great Corby School Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income 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 notes 3, 13 & 26.

Fund accounting

Unrestricted funds reflect those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

Restricted fixed asset funds reflect the fixed assets and capital grants for the purchase of fixed assets to be used for charitable purposes.

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with EFA guidance.

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

1. ACCOUNTING POLICIES *(continued)*

Details of restricted and unrestricted funds are shown in the notes to the financial statements

Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable except in so far as they are not capable of financial measurement

Fixed assets grants are recognised on a receivable basis. The General Annual Grant (GAG) from the Educational Funding Agency is credited directly to the accounts on a receivable basis. Other government grants are also recognised on a receivable basis. For all grants the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Deferred income

Grants and other funding received for the Academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred

Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity

Costs have been allocated in accordance with the Charities SORP 2005. Expenditure has been analysed between the Academy's educational operations, governance costs and activities for generating funds. Items of expenditure which involve more than one cost category have been apportioned on a reasonable and justifiable basis for the cost category concerned. Direct costs are those incurred in the provision of education in accordance with the objects. Support costs are those related to the organisational infrastructure that allows the charitable company to provide education. Governance costs include those costs attributable to compliance with statutory requirements.

Pension costs

Academy staff are members of either the Teachers Pension Scheme or the Local Government Pension Scheme both of which are defined benefit schemes. Details of the schemes are given in Note 20 to the financial statements

Fixed assets

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation

Land and buildings are classed as long leasehold if there is over 50 years unexpired lease term at the balance sheet date

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

1. ACCOUNTING POLICIES *(continued)*

Tangible fixed assets since the Academy was established are included in the accounts at cost

Single assets costing less than £500 or similar groups of assets purchased or ordered together of less than £500 are written off in the year of purchase

All single assets or groups of assets ordered or purchased at the same time above £500 are to be capitalised

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

| | |
|-----------------------|---|
| Fixtures and Fittings | - 10% reducing balance |
| Computer equipment | - straight line over 3 years |
| Leasehold property | - straight line over the term of the lease (125 years) |

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

2. GENERAL ANNUAL GRANT (GAG)

Results and Carry Forward for the Period

| | |
|--|------------------|
| GAG allocation for current year | <u>171,519</u> |
| Total GAG available to spend | 171,519 |
| Recurrent expenditure from GAG | (180,888) |
| Fixed assets purchased from GAG | <u>(5,074)</u> |
| GAG carried forward to next year | (14,443) |
| Maximum permitted GAG carried forward at end of current year (12% of allocation for current year) | <u>(20,582)</u> |
| GAG to surrender to DfE (12% rule breached if result is positive) | <u>(35,025)</u> |
| | NO BREACH |

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

3. VOLUNTARY INCOME

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds 2012 £ |
|--|----------------------------|-------------------------------------|---|--------------------------|
| Net assets transferred on conversion to Academy Trust | 42,690 | (141,449) | 429,117 | 330,358 |
| Donations | | | | |
| Miscellaneous donations | 1,967 | 955 | 450 | 3,372 |
| | <u>44,657</u> | <u>(140,494)</u> | <u>429,567</u> | <u>333,730</u> |

When the Academy Trust commenced its charitable activities on 1 February 2012 it acquired net assets in the sum of £330,358 comprising leasehold buildings £416,967, furniture equipment and computers £12,150 various net assets representing unrestricted funds amounting to £42,690, various net liabilities representing restricted funds amounting to £74,449 less the Local Government Pension Scheme defined benefit scheme deficit £67,000

4. INVESTMENT INCOME

| | Unrestricted Funds £ | Total Funds 2012 £ |
|--------------------------------------|----------------------------|--------------------------|
| Bank interest receivable | - | - |
| Building society interest receivable | 110 | 110 |
| | <u>110</u> | <u>110</u> |

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds 2012 £ |
|--|----------------------------|-------------------------------------|---|--------------------------|
| Young People's Learning Agency grants | | | | |
| General Annual Grant (GAG) | - | 171,519 | - | 171,519 |
| Capital grants | - | - | 4,709 | 4,709 |
| Pupil Premium | - | 1,050 | - | 1,050 |
| Start-up grant | - | 25,000 | - | 25,000 |
| Other EPA grants | - | 6,844 | - | 6,844 |
| Other Income | | | | |
| Sale of Meals | - | 8,008 | - | 8,009 |
| School Trips & Activities | - | 5,122 | - | 5,122 |
| Out of Hours School Clubs | - | 5,158 | - | 5,158 |
| Other Income | - | 6,266 | - | 6,266 |
| | <u>-</u> | <u>228,967</u> | <u>4,709</u> | <u>233,676</u> |

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

6. COSTS OF CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds 2012 £ |
|-------------------------|----------------------------|-------------------------------------|---|--------------------------|
| Direct costs | - | 142,947 | 354 | 143,301 |
| Allocated support costs | - | 50,041 | 2,538 | 52,579 |
| | <u>-</u> | <u>192,988</u> | <u>2,892</u> | <u>195,880</u> |

For details of costs of charitable activities see Note 26

7. COSTS OF CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

| | Restricted Funds £ | Total Funds 2012 £ |
|---|--------------------------|--------------------------|
| Direct Costs | | |
| Books, apparatus and stationery | 10,526 | 10,526 |
| Teaching and educational support staff | 128,589 | 128,589 |
| Rent | 6 | 6 |
| Other office expenses | 81 | 81 |
| Depreciation | 354 | 354 |
| Net finance cost in respect of defined benefit pension scheme | 3,000 | 3,000 |
| Recruitment and staff development | 44 | 44 |
| Other Direct Costs | 701 | 701 |
| | <u>143,301</u> | <u>143,301</u> |
| Allocated Support costs | | |
| Support staff costs | 15,989 | 15,989 |
| Hire of equipment | 683 | 683 |
| Rates & Water | 498 | 498 |
| Light & heat | 1,622 | 1,622 |
| Repairs & maintenance | 6,574 | 6,574 |
| Insurance | 3,263 | 3,263 |
| Cleaning & refuse collection | 143 | 143 |
| Telephone | 2,872 | 2,872 |
| Other office expenses | 1,710 | 1,710 |
| Depreciation | 2,538 | 2,538 |
| Bad Debt Provision | 526 | 526 |
| Catering and Hospitality | 16,161 | 16,161 |
| | <u>52,579</u> | <u>52,579</u> |
| | <u>195,880</u> | <u>195,880</u> |

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

8. GOVERNANCE COSTS

| | Restricted General Funds | Total Funds 2012 |
|-----------------------------|---|-----------------------------|
| | £ | £ |
| Accountancy fees | 1,249 | 1,249 |
| Audit fees | 2,000 | 2,000 |
| Legal and professional fees | 5,156 | 5,156 |
| | <u>8,405</u> | <u>8,405</u> |

9. NET INCOMING RESOURCES FOR THE PERIOD

This is stated after charging

| | Period from 3 Feb 11 to 31 Aug 12 £ |
|-------------------------------------|--|
| Depreciation | 2,892 |
| Auditors' remuneration | |
| - audit of the financial statements | 2,000 |
| - accountancy | <u>1,249</u> |

10. 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. The value of the Principals remuneration was £30,100 The value of the staff governor's remuneration was £20,677

The governors did not receive any expenses in the period ended 31 August 2012

In accordance with normal commercial practice the Charitable Company has purchases insurance to protect trustees and governors from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim The cost of the period ended 31 August 2012 was £395 The cost of this insurance is included in the total insurance cost

11. FUND TRANSFERS

No transfers between funds have been made during the period

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

12. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

| | Period from 3 Feb 11 to 31 Aug 12 £ |
|-----------------------|--|
| Wages and salaries | 118,886 |
| Social security costs | 7,441 |
| Other pension costs | 18,251 |
| | <u>144,578</u> |

Other pension costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other recognised gains and losses (see Note 20)

Particulars of employees:

The average number of employees during the period, calculated on the basis of full-time equivalents, was as follows

| | Period from 3 Feb 11 to 31 Aug 12 No |
|----------------------------|---|
| Teaching | 5 |
| Administration and support | 10 |
| | <u>15</u> |

No employees received remuneration in excess of £60,000 for the period

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

13. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Long Leasehold Property £ | Total £ |
|--------------------------|-------------------------------|----------------------------|------------------------------------|----------------|
| COST | | | | |
| Transfer on Conversion | 11,150 | 1,000 | 416,967 | 429,117 |
| Additions | 2,279 | 3,580 | - | 5,859 |
| At 31 August 2012 | <u>13,429</u> | <u>4,580</u> | <u>416,967</u> | <u>434,976</u> |
| DEPRECIATION | | | | |
| Charge for the period | 626 | 320 | 1,946 | 2,892 |
| At 31 August 2012 | <u>626</u> | <u>320</u> | <u>1,946</u> | <u>2,892</u> |
| NET BOOK VALUE | | | | |
| At 31 August 2012 | <u>12,803</u> | <u>4,260</u> | <u>415,021</u> | <u>432,084</u> |

The leasehold buildings and the plant and machinery integral to the buildings were valued as at 31 August, 2012 by DTZ, a company commissioned by the Government. They are independent of the charitable company. The valuation is based on the estimated rebuild costs. The governors are happy that the valuation closely reflects the value of the property on conversion, for this reason depreciation has been charged during the year.

The long leasehold property is on a 125 year lease which commenced on 1st February 2012, it is leased from The Great Corby Educational Foundation.

Hire Purchase Agreements

Included within the net book value of £432,084 is £9,558 relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £592.

14. DEBTORS

| | 31 Aug 12 £ |
|---------------|----------------|
| Trade debtors | 1,072 |
| Other debtors | 16,763 |
| Prepayments | 3,739 |
| | <u>21,574</u> |

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

15. CREDITORS: Amounts falling due within one year

| | 31 Aug 12 |
|------------------------------|------------------|
| | £ |
| Trade creditors | 77,618 |
| Taxation and social security | 7,882 |
| Deferred income | 653 |
| Hire Purchase Agreements | 2,538 |
| Accruals | 4,848 |
| | <u>93,539</u> |

The following liabilities disclosed under creditors falling due within one year are secured by the company

| | 2012 |
|--------------------------|--------------|
| | £ |
| Hire Purchase Agreements | <u>2,538</u> |

16. CREDITORS: Amounts falling after more than one year

| | 31 Aug 12 |
|--------------------------|------------------|
| | £ |
| Hire Purchase Agreements | 3,806 |
| | <u>3,806</u> |

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

| | 2012 |
|---------------------------|--------------|
| | £ |
| Bank loans and overdrafts | <u>3,806</u> |

17. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2012 the company had annual commitments under non-cancellable operating leases as set out below.

| | Assets other than land and buildings £ |
|---------------------------------------|---|
| Operating leases which expire: | |
| Within 1 year | - |
| Within 2 to 5 years | 715 |
| | <u>715</u> |

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

18. RESTRICTED FIXED ASSET FUNDS

| | Incoming resources £ | Outgoing resources £ | Transfers £ | Balance at 31 August 2012 £ |
|--|----------------------------|----------------------------|----------------|-----------------------------------|
| EFA capital grant | 4,709 | | | 4,709 |
| Fixed assets used for charitable purposes | 429,567 | (2,892) | - | 426,675 |
| | <u>434,276</u> | <u>(2,892)</u> | <u>-</u> | <u>431,384</u> |

Details of transfers are shown in Note 11

19. RESTRICTED GENERAL FUNDS

| | Incoming resources £ | Outgoing resources £ | Transfers £ | Gains and losses £ | Balance at 31 Aug 2012 £ |
|---|----------------------------|----------------------------|----------------|--------------------------|--------------------------------|
| YPLA grants | | | | | |
| General Annual Grant (GAG) | 171,519 | (180,888) | - | - | (9,369) |
| Start-up grant | 25,000 | (3,917) | - | - | 21,083 |
| Pupil premium | 1,050 | - | - | - | 1,050 |
| Other YPLA grants | 6,844 | (3,263) | - | - | 3,581 |
| Assets on Conversion | (141,449) | - | - | | (141,449) |
| Other restricted general funds | 25,509 | (13,325) | - | | 12,184 |
| | <u>88,473</u> | <u>(201,393)</u> | <u>-</u> | <u>-</u> | <u>(112,920)</u> |
| Defined benefit pension scheme deficit | - | - | - | (4,000) | (4,000) |
| | <u>88,473</u> | <u>(201,393)</u> | <u>-</u> | <u>(4,000)</u> | <u>(116,920)</u> |

Details of transfers are shown in Note 11

Other restricted general funds include voluntary income and educational income to be expended on specific projects, activities and materials for the benefit of the pupils

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

20. UNRESTRICTED FUNDS

| | Incoming resources £ | Outgoing resources £ | Transfers £ | Balance at 31 Aug 2012 £ |
|---------------|----------------------------|----------------------------|----------------|--------------------------------|
| General Funds | 44,767 | - | - | 44,767 |
| | <u>44,767</u> | <u>-</u> | <u>-</u> | <u>44,767</u> |

Details of transfers are shown in Note 11

21. PENSION AND OTHER POST-RETIREMENT BENEFITS

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 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

As described in the note below the LGPS obligation relates to the employees of the academy trust, 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 trust at the balance sheet date

There total pension costs to the Charitable Company during the year ended 31 August 2012 was £18,251 (of which £10,726 relates to the TPS and £7,525 relates to the LGPS)

Contributions amounting to £3,736 were payable to the schemes at 31st August and are included within creditors

Teachers' Pension Scheme (TPS)

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS scheme is classed as a multi-employer pension scheme The Academy is unable to identify its share of the underlying (notional) 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 below the latest information available for the scheme

The TPS is a statutory contributory defined benefit scheme The regulations under which the TPS operates are the Teachers' Pension Regulations 2010 These regulations apply to teachers in schools and other educational establishments in England & Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools and to the teachers and lecturers in establishments of further and higher education Membership is automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

21. PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)

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' Pension Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of the 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 a real rate of return.

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review 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 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 the standard contributions to be paid in the future 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 01 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 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. 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 01 January 2007 and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance assets and liabilities as required by regulations within 15 years) a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced - effective for the first time in 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.

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

21. PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)

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.

Local Government Pension Scheme (LGPS)

The Academy is one of several employing bodies included within the local government pension scheme (LGPS). The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contribution made for the period ended 31 August 2012 was £9,856 of which employer's contributions totalled £7,525 and employee's contributions totalled £2,331.

The principal actuarial assumptions used by the actuary were

| | 2012 |
|------------------------------|--------------|
| Rate of CPI inflation | 2.4% |
| Rate of increase in salaries | 4.15% |
| Rate of increase in pensions | 2.4% |
| Discount rate | 4.7% |

The mortality assumptions used were as follows

| | 2012 |
|--|-----------------|
| Longevity at age 65 for current pensioners | |
| Male | 22.2 Yrs |
| Female | 24.8 Yrs |
| Longevity at age 65 for future pensioners | |
| Male | 24.0 Yrs |
| Female | 26.8 Yrs |

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

21. PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)

The fair value of the major categories of scheme assets and the expected rate of return at the balance sheet date are as follows

| | 2012 Expected return | 2012 Fair value of assets £ |
|-------------------------------------|-------------------------------------|--|
| Equities | 7.0% | 16,000 |
| Government bonds | 2.5% | 5,000 |
| Other bonds | 3.4% | 5,000 |
| Property | 0.5% | 2,000 |
| Cash / liquidity | 0.5% | 1,000 |
| Other | 7.0% | 3,000 |
| Fair value of scheme assets | | <u>32,000</u> |
| Present value of scheme liabilities | | |
| Funded | | 105,000 |
| Unfunded | | - |
| Deficit in the scheme | | <u>73,000</u> |

None of the fair values of the assets shown above include any of the Charitable Company's own financial instruments or any property occupied by, or other assets used by, the Charitable Company

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The actual return on the scheme assets in the year was £1,000

The amounts recognised in the Statement of Financial Activities are as follows:

| | 2012 £ |
|----------------------------------|-------------------|
| Current service cost | 7,000 |
| Expected return on scheme assets | (1,000) |
| Interest cost | 4,000 |
| Total cost recognised in SOFA | <u>10,000</u> |

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £4,000 loss.

**GREAT CORBY SCHOOL ACADEMY TRUST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

21. PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)

Contributions

The total contributions made by the employer in the year were £8,000. The level of contributions will be reviewed as a result of the triennial valuation of the scheme as at 31 March 2013.

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 Aug 2012 is £13,000.

Movement in deficit in the year:

| | 2012 £ |
|--|-----------------|
| Deficit in scheme at 3 August 2011 | - |
| Current service cost (net of employee contributions) | (7,000) |
| Employer contributions | 8,000 |
| Net interest / return of assets | (3,000) |
| Actuarial gain or (loss) | (4,000) |
| Business combinations | (67,000) |
| Deficit at 31 August 2012 | <u>(73,000)</u> |

Change in the present value of the defined pension obligation scheme are as follows

| | 2012 £ |
|--------------------------------------|------------------|
| Benefit obligation at 3 August 2011 | - |
| Current service cost | (7,000) |
| Interest cost | (4,000) |
| Actuarial gain or (loss) | (4,000) |
| Contributions by scheme participants | (2,000) |
| Business combinations | (88,000) |
| Benefit obligation at 31 August 2012 | <u>(105,000)</u> |

Change in the fair value of scheme assets are as follows

| | 2012 £ |
|---|---------------|
| Opening fair value of scheme assets at 3 August 2011 | - |
| Expected return on scheme assets | 1,000 |
| Contributions by employer | 8,000 |
| Contributions by scheme participants | 2,000 |
| Actuarial gains or (loss) | - |
| Business combinations | 21,000 |
| Closing fair value of scheme assets at 31 August 2012 | <u>32,000</u> |

| | |
|--|----|
| Experience adjustment on scheme assets | |
| Percentage of scheme assets | 0% |

| | |
|---|----|
| Experience adjustment on scheme liabilities | |
| Percentage of scheme assets | 0% |

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Tangible fixed assets £ | Net current assets £ | Defined benefit pension liability £ | Total £ |
|---|-------------------------------|----------------------------|---|----------------|
| Restricted General Funds: | | | | |
| General Annual Grant (GAG) | - | (9,369) | - | (9,369) |
| Defined benefit pension scheme deficit | - | - | (73,000) | (73,000) |
| Other restricted general funds | - | (34,551) | - | (34,551) |
| | - | (43,920) | (73,000) | (116,920) |
| Restricted Fixed Asset Funds: | | | | |
| YPLA capital grant | - | 4,709 | - | 4,709 |
| Fixed assets used for charitable purposes | 426,675 | - | - | 426,675 |
| | 426,675 | 4,709 | - | 431,384 |
| Unrestricted Funds: | | | | |
| Designated Funds | - | - | - | - |
| General Funds | 5,409 | 39,358 | - | 44,767 |
| | 5,409 | 39,358 | - | 44,767 |
| Total Funds | 432,084 | 147 | (73,000) | 359,231 |

23. COMPANY LIMITED BY GUARANTEE

Great Corby School Academy Trust is a company limited by guarantee. 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.

24. CAPITAL COMMITMENTS

The company had no capital commitments at the period end.

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the governors being drawn from the local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Governing Body 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.

During the period one of the governor's husbands received £500 for general handyman work, the work was carried out on normal commercial terms.

GREAT CORBY SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 AUGUST 2011 TO 31 AUGUST 2012

26. CONVERSION TO AN ACADEMY TRUST

On 1st February 2012 Great Corby School converted to academy trust status under the Academies Act 2010 and all operations and assets and liabilities were transferred to Great Corby School Academy Trust Limited from the Local Authority 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 net income 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 analysis of their recognition in the SOFA

| | Unrestricted funds £ | Restricted general fund £ | Restricted asset fund £ | Total 2012 £ |
|---|----------------------------|---------------------------------|-------------------------------|-----------------|
| Tangible fixed assets: | | | | |
| Freehold land and buildings | - | - | 416,967 | 416,967 |
| Other tangible fixed assets | - | - | 12,150 | 12,150 |
| | - | - | 429,117 | 429,117 |
| LGPS pension surplus/(deficit) | - | (67,000) | - | (67,000) |
| Other identified assets and liabilities | 42,690 | (74,449) | - | (31,759) |
| Net assets | 42,690 | (141,449) | 429,117 | 330,358 |