

Registration number 07728828

Eastrop Infant School

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 4 August 2011 to 31 August 2012



Eastrop Infant School

Contents

Reference and Administrative Details	1
Governors' Report	2 to 10
Governance Statement	11 to 12
Statement on Regularity, Propriety and Compliance	13
Statement of Governors' Responsibilities	14 to 15
Independent Auditors' Report	16 to 17
Independent Auditors' Report on Regularity	18
Statement of Financial Activities incorporating Income and Expenditure Account	19 to 20
Balance Sheet	21 to 22
Cash Flow Statement	23
Notes to the Financial Statements	24 to 41

Eastrop Infant School

Reference and Administrative Details

Governors and Trustees (Directors)	Mrs M P Apps (appointed 4 August 2011) Mr K A Weise, Chair of Finance (appointed 4 August 2011) Mrs L L Fletcher (appointed 4 August 2011 and Resigned 10 May 2012) Mr I Miller (appointed 4 August 2011 and Resigned 10 May 2012) Mrs J M Milsom (appointed 4 August 2011) Mrs J L Davidson (appointed 4 August 2011) Mrs S L Thomson (appointed 4 August 2011 and resigned 9 November 2012) Mrs A J Cripps (appointed 4 August 2011) Mrs P S Marshall, Head Teacher (appointed 4 August 2011) Ms S M Cavalot (appointed 1 March 2012) Mr A J Rolfe, Chair (appointed 4 August 2011) Mr R J James, Vice Chair (appointed 4 August 2011) Mr G R Brown (appointed 7 March 2012 and resigned 13 September 2012) Mr N M Smith (appointed 9 November 2012) Mrs P S Marshall, As Director only (appointed 4 October 2011) Mr A J Rolfe, As Director Only (appointed 7 March 2012) Mr R J James, As Director only (appointed 7 March 2012)
Company Secretary	Mr K A Weise (appointed 22 December 2011)
Senior Management Team	Mrs P S Marshall, Headteacher Ms E Allanson, Assistant Headteacher Ms R Vardy, Assistant Headteacher
Principal and Registered Office	Eastrop Highworth Swindon Wiltshire SN6 7AP
Company Registration Number	07728828
Auditors	Banks Chartered Accountants Auditors Vicarage Court 160 Ermin Street Swindon Wiltshire SN3 4NE

Eastrop Infant School

Governors' Report for the period from 4 August 2011 to 31 August 2012

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

Discussion on conversion to academy trust

On 1 September 2011 the Eastrop Infant School converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Eastrop Infant School 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 in the Statement of Financial Activities as voluntary income

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 04 August 2011. The company registration number is 07728828.

The governors act as the trustees for the charitable activities of Eastrop Infant School and are also the directors of the charitable company for the purposes of company law.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Governors' indemnities

The Academy through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Governors.

Principal activities

The principal activity is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing an Infant school offering a broad and balanced curriculum.

Eastrop Infant School

Governors' Report for the period from 4 August 2011 to 31 August 2012

Method of recruitment and appointment or election of Governors

On the conversion date of 01 09 11 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, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Governors as set out in its Articles of Association and funding agreement:

- up to 5 Governors who are appointed by members
- between 2 to 4 Parent Governors who are elected by Parents/Carers of registered pupils at the Academy
- up to 2 Staff Governors appointed by the staff
- the Principal who is treated for all purposes as being an ex officio Governor

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

When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage can be taken of specific courses offered by the Local Authority and other bodies.

Eastrop Infant School

Governors' Report for the period from 4 August 2011 to 31 August 2012

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 2 committees as follows,

- Finance / Personnel Committee meets at least 4 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. It also incorporates the role of an audit committee. The committee is responsible for reviewing staffing levels, deciding on appointments, reviewing performance management procedures and carrying out the Principals appraisal.
- Premises Committee meets at least 4 times a year and is responsible for health and safety, risk assessments, managing capital projects and general maintenance.

The following decisions are reserved to the Board of Governors, by example but not restricted 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 Principal and Clerk to the Governors, to approve the Annual Development Plan and budget.

The Trustees and Board of Governors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Management Team (SMT). The SMT comprises the Principal and two Assistant Headteachers. The SMT implement the policies laid down by the Governors and report back to them on performance.

The Principal 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.

Connected organisations, including related party relationships

There are no related parties which either control or significantly influence the decisions and operations of Eastrop Infant School.

Eastrop Infant School

Governors' Report for the period from 4 August 2011 to 31 August 2012

Objectives and activities

Objects and aims

The aims of the Academy during the year/period ended 31 August 2012 are summarised below

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra curricular activities
- to develop students as more effective learners
- to develop the Academy site so that it enables students to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Objectives, strategies and activities

Key activities and targets were identified in the Academy Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status. The activities included the following

To raise standards in writing for boys

To review the teaching of maths

To implement the International Primary Curriculum

To further develop the monitoring of pupils progress through curriculum teams

To develop liaison with Southfields Junior School to ensure a smooth transition

To celebrate the Queens Diamond Jubilee and the Olympics with the local community

Public benefit

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner'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.

As an Academy we have a duty to support other schools. Our named school in the Academy status is East Wichel Community Primary School. We have supported the school through developing planning a cross curricular approach to learning.

Eastrop Infant School

Governors' Report for the period from 4 August 2011 to 31 August 2012

Achievements and performance

The Academy is oversubscribed in some year groups. We currently have a waiting list for Reception.

SATS

Reading School 91% 2 and above

National 86% 2 and above

Writing School 86% 2 and above

National 82% 2 and above

Maths School 97% 2 and above

National 89% 2 and above

Over 10 adult regular volunteers, parents and from the community have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. They have helped with reading, writing, maths, sewing, cooking, drama and trips out of school.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Senior Management Team.

The Academy was inspected by OFSTED in 2008 and was judged to be Outstanding and received a letter in March 2011 confirming the status.

During the year the Academy completed the refurbishment of

The small groups teaching room at a cost of £680

The Reception classrooms were decorated at a cost of £1200

Replaced ICT equipment to a Year 2 classroom at a cost of £3000

Focus are the parent association that raise additional funds for the school to purchase extra resources.

During the year, Focus charity fundraising activities raised £5460.

The Academy has established close links with St Leonards Primary Academy, Southfield Junior School and Highworth Warneford School. The four Academies are embarking on mutual staff development, with the primary aim of driving up standards. Going forward this will include other joint ways of working.

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.

Key non-financial performance indicators

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2012 were 168, the same number as 2011. It is anticipated that this number will rise in 2012/13.

Eastrop Infant School

Governors' Report for the period from 4 August 2011 to 31 August 2012

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 year 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 EFA 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.

At 31 August 2012 the net book value of fixed assets was £1,104,088 and movements in tangible fixed assets are shown in note 14 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 in September 2012 at £1,092,762. Other transferred assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share (£59,826) was transferred across on conversion and is shown as Restricted Funds and Restricted Fixed Asset Funds (where the funding brought forward was for capital projects).

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 25 to the financial statements.

Key financial policies adopted during the year include the Accounting Policy and Scheme of Delegation which set out the framework for financial management, including financial responsibilities of the Board, Principal, managers, budget holders and other staff, as well as delegated authority for spending. Other policies are reviewed and updated regularly.

Governors have adopted a Responsible Officer Policy and appointed Banks Accountants, to undertake a programme of internal checks on financial controls. During the year, the Governors received reports from the Responsible Officer which contained no matters of significance.

Eastrop Infant School

Governors' Report for the period from 4 August 2011 to 31 August 2012

Principal risks and uncertainties

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year the vast majority of the Academy's incoming resources was 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 applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement 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.

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's financial management handbook ensures correct procedures are carried out.

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

Financial and risk management objectives and policies

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Risks are managed by the risk register and mitigated as appropriate.

At the year 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 25 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.

Eastrop Infant School

Governors' Report for the period from 4 August 2011 to 31 August 2012

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.

The Governors have determined that the appropriate level of free cash reserves should be approximately £12,500. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £3,656, of which £3,656 is free reserves. A further £35,324 of funds is carried forward on the Restricted Fixed Asset fund, representing capital funding received that has not yet been spent (see note 19).

The Governors have reviewed the future plans of the Academy and have set designated reserves as follows:

Develop an outside play area for Year 1
Extend the playground area with an all weather surface

Investment policy

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Plans for future periods

The Academy will continue to strive to provide outstanding education and continue to work with partner schools to improve the levels of performance of its pupils at all levels. The Academy will continue to aim to retain and attract high quality teachers and support staff in order to deliver its objectives.

Eastrop Infant School

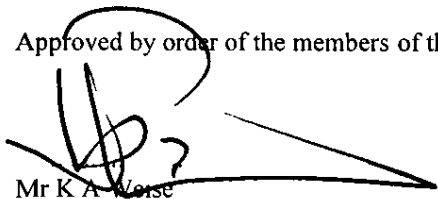
Governors' Report for the period from 4 August 2011 to 31 August 2012

Auditor

In so far as the Members and Governors are aware

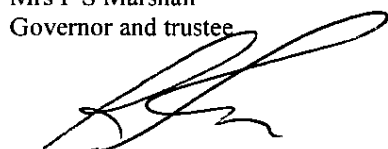
- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by order of the members of the on 13/12/12 and signed on its behalf by



Mr K A Waise
Governor and trustee

PS Marshall
Mrs P S Marshall
Governor and trustee



Mr A J Rolfe
Governor and trustee



Mr R J James
Governor and trustee

Eastrop Infant School

Governance Statement

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Eastrop Infant 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 Mrs P S Marshall, Head Teacher, 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 Eastrop Infant School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Eastrop Infant School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Banks, Chartered Accountants as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust'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.

There were no material control or other issues reported by the RO to date.

Eastrop Infant School

Governance Statement

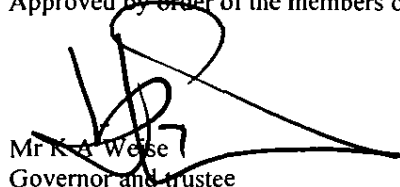
Review of effectiveness

As Accounting Officer, Mrs P S Marshall, Head Teacher 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 Trust who have responsibility for the development and maintenance of the internal control framework

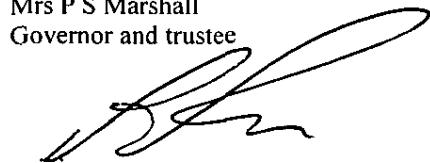
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the Governing Body on 13/12/12 and signed on its behalf by




Mr K A Weise
Governor and trustee

PS Marshall
Mrs P S Marshall
Governor and trustee



Mr A J Rolfe
Governor and trustee



Mr R J James
Governor and trustee

Eastrop Infant School

Statement on Regularity, Propriety and Compliance

As accounting officer of Eastrop Infant School I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

P S Marshall

Mrs P S Marshall, Head Teacher
Accounting officer

Eastrop Infant School

Statement of Governors' Responsibilities

The governors (who are 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 Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to

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

The 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.

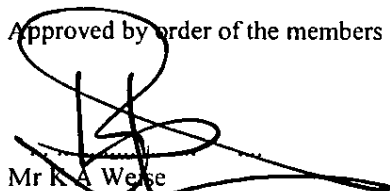
The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have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

Eastrop Infant School

Statement of Governors' Responsibilities

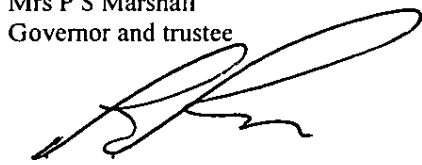
The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board on 13/12/12 and signed on its behalf by




Mr K A Weese
Governor and trustee

PS Marshall
Mrs P S Marshall
Governor and trustee



Mr A J Rolfe
Governor and trustee



Mr R J James
Governor and trustee

Eastrop Infant School

Independent Auditors' Report to the members of Eastrop Infant School

We have audited the financial statements of Eastrop Infant School for the period from 4 August 2011 to 31 August 2012, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Governors' Responsibilities (set out on page 14), the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 the Annual Accounts Direction issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Eastrop Infant School

Independent Auditors' Report to the members of Eastrop Infant School

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 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



Neil Elsdon (Senior Statutory Auditor)

For and on behalf of Banks Chartered Accountants, Statutory Auditor

Vicarage Court
160 Ermin Street
Swindon
Wiltshire
SN3 4NE

Date *21 12 2012*

Eastrop Infant School

Independent Auditors' Report on Regularity to the Governing Body of Eastrop Infant School and the Education Funding Agency

In accordance with the terms of our engagement letter dated and further to the requirements of the Education Funding Authority (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 4 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 may 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 any 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 the 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 from 4 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 from 4 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



Neil Elsdon (Senior Statutory Auditor)

For and on behalf of Banks Chartered Accountants, Statutory Auditor

Vicarage Court
160 Ermin Street
Swindon
Wiltshire
SN3 4NE

Date 21.12.2012

Eastrop Infant School

Statement of Financial Activities for the Period from 4 August 2011 to 31 August 2012 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income					
Transfer on conversion	3	-	(21,259)	1,154,548	1,133,289
Other voluntary income	3	7,744	-	-	7,744
Activities for generating funds	4	10,419	1,550	-	11,969
Investment income	5	76	-	-	76
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	6	-	642,132	5,878	648,010
<i>Other incoming resources</i>					
Other incoming resources	7	<u>8,063</u>	<u>22,252</u>	<u>-</u>	<u>30,315</u>
Total incoming resources		<u>26,302</u>	<u>644,675</u>	<u>1,160,426</u>	<u>1,831,403</u>
Resources expended					
<i>Charitable activities</i>					
Academy's educational operations	9	18,344	647,018	21,014	686,376
Governance costs	10	<u>-</u>	<u>39,959</u>	<u>-</u>	<u>39,959</u>
Total resources expended	8	<u>18,344</u>	<u>686,977</u>	<u>21,014</u>	<u>726,335</u>
Net incoming/(outgoing) resources before transfers		7,958	(42,302)	1,139,412	1,105,068
Gross transfers between funds	18	<u>(4,302)</u>	<u>4,302</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the period		3,656	(38,000)	1,139,412	1,105,068
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	<u>-</u>	<u>(13,000)</u>	<u>-</u>	<u>(13,000)</u>
Net movement in funds/(deficit)		3,656	(51,000)	1,139,412	1,092,068
Reconciliation of funds					
		-	-	-	-

Eastrop Infant School

Statement of Financial Activities for the Period from 4 August 2011 to 31 August 2012 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
	-	-	-	-
Funds/(deficit) carried forward at 31 August 2012	<u>3,656</u>	<u>(51,000)</u>	<u>1,139,412</u>	<u>1,092,068</u>

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

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

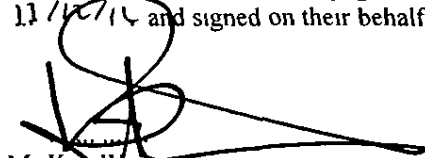
Eastrop Infant School
(Registration number: 07728828)
Balance Sheet as at 31 August 2012

	Note	31 August 2012 £
Fixed assets		
Tangible assets	14	1,104,088
Current assets		
Debtors	15	10,725
Cash at bank and in hand		<u>60,306</u>
		71,031
Creditors Amounts falling due within one year	16	<u>(26,668)</u>
Net current assets		<u>44,363</u>
Total assets less current liabilities		1,148,451
Creditors Amounts falling due after more than one year	17	<u>(5,383)</u>
Net assets excluding pension liability		1,143,068
Pension scheme liability	25	<u>(51,000)</u>
Net assets including pension liability		<u><u>1,092,068</u></u>
Funds of the Academy.		
Restricted funds		
Restricted general fund	18	(51,000)
Restricted fixed asset fund	18	<u>1,139,412</u>
		1,088,412
Unrestricted funds		
Unrestricted general fund	18	<u>3,656</u>
Total funds		<u><u>1,092,068</u></u>

Eastrop Infant School

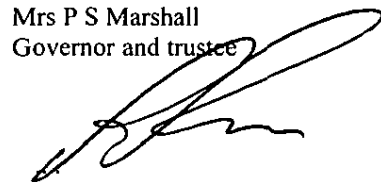
(Registration number: 07728828)
Balance Sheet as at 31 August 2012

The financial statements on pages 19 to 41 were approved by the governors, and authorised for issue on 11/12/12 and signed on their behalf by




Mr K A Weise
Governor and trustee

PS Marshall
Mrs P S Marshall
Governor and trustee



Mr A J Rolfe
Governor and trustee



Mr R J James
Governor and trustee

Eastrop Infant School

Cash Flow Statement for the Period from 4 August 2011 to 31 August 2012

	Note	31 August 2012 £
Net cash inflow from operating activities	20	1,781
Cash assets transferred on conversion		59,874
Returns on investments and servicing of finance	21	(920)
Capital expenditure and financial investment	22	<u>(429)</u>
Increase in cash in the period	23	<u><u>60,306</u></u>

Reconciliation of net cash flow to movement in net funds

Increase in cash in the period	60,306
Net funds at 4 August 2011	<u>-</u>
Net funds at 31 August 2012	<u><u>60,306</u></u>

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

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

1 Accounting policies

Basis of preparation

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

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 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 Eastrop Infant School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

Going concern

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

Incoming resources

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

Grants receivable

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

Sponsorship income

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

Donations

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

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

1 Accounting policies (continued)

Other income

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

Donated services and gifts in kind

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

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

All resources expended are inclusive of irrecoverable VAT

Cost of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds

Charitable activities

These are costs incurred on the Academy Trust's educational operations

Governance costs

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

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Asset class	Amortisation method and rate
Freehold Buildings	2% straight line
Furniture & Equipment	20% straight line
Computer Equipment & Software	25% straight line

Taxation

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

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

2 General Annual Grant (GAG)

	31 August 2012 £
Results and carry forward for period	
GAG allocation for current period	619,840
Total GAG available to spend	619,840
Recurrent expenditure from GAG	(619,840)
GAG carried forward to next year	-
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	74,381
	No breach
Use of GAG brought forward from previous for recurrent purposes	
Recurrent expenditure from GAG	619,840
GAG allocation for current period	(619,840)
GAG brought forward from previous in excess of 2%, used on recurrent expenditure in current period	-
(2% rule breached if result is positive)	No breach

3 Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2012 £
Transfer on conversion	-	(21,259)	1,154,548	1,133,289
Other voluntary income				
Educational trips and visits	3,508	-	-	3,508
Other donations	4,236	-	-	4,236
	7,744	-	-	7,744
Total voluntary income	7,744	(21,259)	1,154,548	1,141,033

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2012 £
Catering income	10,419	-	10,419
Recharges and reimbursements	-	1,550	1,550
	<u>10,419</u>	<u>1,550</u>	<u>11,969</u>

5 Investment income

	Unrestricted funds £	Total 2012 £
Short term deposits	<u>76</u>	<u>76</u>

6 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2012 £
DfE/EFA revenue grants			
General Annual Grant	610,929	-	610,929
Other DfE/YPLA grants	<u>31,203</u>	<u>5,878</u>	<u>37,081</u>
	<u>642,132</u>	<u>5,878</u>	<u>648,010</u>

7 Other incoming resources

	Unrestricted funds £	Restricted funds £	Total 2012 £
Supply insurance income	-	1,990	1,990
Other income	-	19,275	19,275
Other Income UR	8,063	-	8,063
Insurance income (Not supply)	<u>-</u>	<u>987</u>	<u>987</u>
	<u>8,063</u>	<u>22,252</u>	<u>30,315</u>

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

8 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2012 £
Academy's educational operations				
Direct costs	476,495	18,493	39,712	534,700
Allocated support costs	<u>41,183</u>	<u>73,369</u>	<u>37,124</u>	<u>151,676</u>
	517,678	91,862	76,836	686,376
 Governance costs including allocated support costs	 <u>19,699</u>	 <u>-</u>	 <u>20,260</u>	 <u>39,959</u>
	<u>537,377</u>	<u>91,862</u>	<u>97,096</u>	<u>726,335</u>

Net incoming/outgoing resources for the period include:

	31 August 2012 £
Fees payable to auditor - audit	4,000
- other audit services	<u>3,150</u>

9 Charitable activities - Academy's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2012 £
Direct costs				
Teaching and educational support staff costs	-	476,495	-	476,495
Depreciation	-	-	18,493	18,493
Educational supplies	3,376	25,677	1,124	30,177
Staff development	<u>-</u>	<u>9,535</u>	<u>-</u>	<u>9,535</u>
	<u>3,376</u>	<u>511,707</u>	<u>19,617</u>	<u>534,700</u>

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

9 Charitable activities - Academy's educational operations (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2012 £
Allocated support costs				
Support staff costs	-	42,183	-	42,183
FRS 17 service cost adjustment	-	(1,000)	-	(1,000)
Maintenance of premises and equipment	-	34,862	-	34,862
Cleaning	-	15,250	-	15,250
Rent, rates and utilities	-	10,696	-	10,696
Insurance	-	12,561	-	12,561
Catering	14,968	-	-	14,968
Bank interest and charges	-	364	-	364
Professional fees	-	3,733	-	3,733
Other support costs	-	16,662	1,397	18,059
	<u>14,968</u>	<u>135,311</u>	<u>1,397</u>	<u>151,676</u>
	<u>18,344</u>	<u>647,018</u>	<u>21,014</u>	<u>686,376</u>

10 Governance costs

	Restricted funds £	Total 2012 £
Legal and professional fees	12,285	12,285
Auditors' remuneration		
Audit of financial statements	4,000	4,000
Other audit services	3,150	3,150
Responsible officer audit	825	825
Support costs	<u>19,699</u>	<u>19,699</u>
	<u>39,959</u>	<u>39,959</u>

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

11 Staff costs

	2012 £
Staff costs during the period were:	
Wages and salaries	443,279
Social security costs	29,400
Pension costs	58,735
Supply teacher costs	5,963
	<u>537,377</u>

12 Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors.

Principal	64,980
Ms S Thomson	35,000-40,000
Ms L Fletcher	5,000-10,000
Ms S Cavalot	5,000-10,000

Principal's and other staff governors remuneration includes contributions made on their behalf, by the school, to their defined benefit pension schemes where applicable. As permitted by the EFA disclosure of remuneration of other staff governors is in bands of £5,000.

Related party transactions involving the trustees are set out in note 26.

13 Governors' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2012 was £268.

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

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

14 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
Additions	-	4,164	2,144	6,308
Transfers	1,111,254	3,025	4,515	1,118,794
At 31 August 2012	<u>1,111,254</u>	<u>7,189</u>	<u>6,659</u>	<u>1,125,102</u>
Depreciation				
Charge for the year	18,493	1,124	1,397	21,014
At 31 August 2012	<u>18,493</u>	<u>1,124</u>	<u>1,397</u>	<u>21,014</u>
Net book value				
At 31 August 2012	<u>1,092,761</u>	<u>6,065</u>	<u>5,262</u>	<u>1,104,088</u>

15 Debtors

	31 August 2012 £
Prepayments	5,409
VAT recoverable	5,316
	<u>10,725</u>

16 Creditors: amounts falling due within one year

	31 August 2012 £
Other taxation and social security	9,056
Other creditors	7,801
Equal Pay Loan	316
Accruals	9,495
	<u>26,668</u>

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

17 Creditors: amounts falling due after one year

	31 August 2012 £
Equal Pay Loan	<u>5,383</u>

18 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2012 £
Restricted general funds				
Other DfE/EFA grants	31,203	(35,505)	4,302	-
General Annual Grant (GAG)	610,929	(610,929)	-	-
Other restricted	40,543	(40,543)	-	-
Pension reserve	<u>(38,000)</u>	<u>-</u>	<u>(13,000)</u>	<u>(51,000)</u>
	644,675	(686,977)	(8,698)	(51,000)
Restricted fixed asset funds				
Restricted fixed asset fund	<u>1,160,426</u>	<u>(21,014)</u>	<u>-</u>	<u>1,139,412</u>
Total restricted funds	1,805,101	(707,991)	(8,698)	1,088,412
Unrestricted funds	<u>26,302</u>	<u>(18,344)</u>	<u>(4,302)</u>	<u>3,656</u>
Total funds	<u>1,831,403</u>	<u>(726,335)</u>	<u>(13,000)</u>	<u>1,092,068</u>

19 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,104,088	1,104,088
Current assets	3,656	32,051	35,324	71,031
Current liabilities	-	(26,668)	-	(26,668)
Creditors over 1 year	-	(5,383)	-	(5,383)
Pension scheme liability	<u>-</u>	<u>(51,000)</u>	<u>-</u>	<u>(51,000)</u>
Total net assets	<u>3,656</u>	<u>(51,000)</u>	<u>1,139,412</u>	<u>1,092,068</u>

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	31 August 2012 £
Net income	1,105,068
Transfer of assets on conversion	(1,133,289)
Depreciation	21,014
Donated capital and capital grants	(5,879)
Interest receivable	(76)
FRS17 service cost adjustment	(1,000)
Increase in debtors	(10,725)
Increase in creditors	<u>26,668</u>
Net cash inflow from operating activities	<u><u>1,781</u></u>

21 Returns on investments and servicing of finance

	31 August 2012 £
Interest received	76
Equal Pay Loan Repayments	<u>(996)</u>
Net cash outflow from returns on investments and servicing of finance	<u><u>(920)</u></u>

22 Capital expenditure and financial investment

	31 August 2012 £
Purchase of tangible fixed assets	(6,308)
Capital grants from DfE	<u>5,879</u>
Net cash outflow from capital expenditure and financial investment	<u><u>(429)</u></u>

23 Analysis of changes in net funds

	Cash flows	At 31 August 2012 £
Cash at bank and in hand	<u>£ 60,306</u>	<u>£ 60,306</u>

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

24 Members' liability

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

25 Pension and similar obligations

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire 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 Contributions amounting to were payable to the schemes at 31 August and are included within creditors

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 real rate of return

The Government Agency ("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 the 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

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

25 Pension and similar obligations (continued)

The latest 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 17 (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

Wiltshire Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £20,000, of which employer's contributions totalled £15,000 and employees' contributions totalled £5,000. The agreed contribution rates for future years are per cent for employers and 5.5% - 7.5% per cent for employees.

As described in the notes 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.

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

25 Pension and similar obligations (continued)

	At 31 August 2012
Discount rate %	4 10
Salary scale increases per annum %	4 50
Pension increases %	2 20
Proportion of members' accrued benefits covered by the notional value of the assets %	<u>66 00</u>

Principal actuarial assumptions

	At 31 August 2012 %
Rate of increase in salaries	4 50
Rate of increase for pensions in payment/inflation	2 20
Discount rate for scheme liabilities	4 10
Inflation assumptions (CPI)	<u>2 20</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below

	+ 0.5%	0.0%	- 0.5%
Adjustment to discount rate	£	£	£
Present value of total obligation	<u>17,000</u>	<u>-</u>	<u>17,000</u>
 Adjustment to rate of inflation	 £	 £	 £
Present value of total obligation	<u>10,000</u>	<u>-</u>	<u>10,000</u>
 Adjustment to rate of salary growth	 £	 £	 £
Present value of total obligation	<u>6,000</u>	<u>-</u>	<u>6,000</u>
 Adjustment to mortality age rating assumption	 £	 £	 £
Present value of total obligation	<u>5,000</u>	<u>-</u>	<u>5,000</u>

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

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

25 Pension and similar obligations (continued)

	At 31 August 2012
Retiring today	
Males retiring today	21 30
Females retiring today	23 60
Retiring in 20 years	
Males retiring in 20 years	24 90
Females retiring in 20 years	<u>25 50</u>

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

	At 31 August 2012 £
Equities	68,000
Government bonds	19,000
Property	11,000
Cash	<u>3,000</u>
Total market value of assets	<u>101,000</u>
Surplus in the scheme	<u>101,000</u>

The expected rates of return were

	At 31 August 2012 %
Equities	5 50
Government bonds	3 50
Property	3 70
Cash	<u>2 80</u>

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 returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £5,000

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	31 August 2012 £
Current service cost	12,000
Total operating charge	<u>12,000</u>

Analysis of pension finance income/(costs)

	31 August 2012 £
Expected return on pension scheme assets	5,000
Interest on pension liabilities	<u>7,000</u>
Pension finance income	<u>12,000</u>

The actuarial gains and losses for the current period 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 (£26,000)

Movements in the present value of defined benefit obligation

	31 August 2012 £
At 4 August	115,000
Current service cost	12,000
Interest cost	7,000
Employee contributions	5,000
Actuarial losses	<u>13,000</u>
At 31 August	<u>152,000</u>

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

	31 August 2012 £
At 4 August	76,000
Expected return on assets	5,000
Employer contributions	15,000
Employee contributions	<u>5,000</u>
At 31 August	<u>101,000</u>

The estimated value of employer contributions for next period is £15,000

History of Experience Adjustments

Amounts for the current period are as follows

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

25 Pension and similar obligations (continued)

	31 August 2012 £
Present value of scheme liabilities	(152,000)
Fair value of scheme assets	<u>101,000</u>
Deficit in the scheme	<u>(51,000)</u>
	31 August 2012 £
Experience adjustments arising on scheme assets	(15,000)
Experience adjustments arising on scheme liabilities	<u>(13,000)</u>

Comparative figures have not been restated as permitted by FRS 17

26 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable 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.

During the period the academy made the following related party transactions

Mr H Marshall

(Husband of HeadTeacher)

Mr H Marshall provides DIY services to the school. He was paid £1,344.42 for this work in the year. At the balance sheet date the amount due to Mr H Marshall was £Nil.

Highworth Warneford School

(Mr R J James is a Governor and Trustee for both schools)

During the year the school received services from Highworth in respect of provision of School Meals and Caretaking services. The total amount charged in the period was £21,843.16. Payments were made to the school in respect of cluster payments made to Highworth Warneford School for onward distribution. These payments amounted to £13,289 in the period. At the balance sheet date the amount due to Highworth Warneford School was £Nil.

27 Conversion to an academy trust

On 1 September 2011 the Eastrop Infant School converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to Eastrop Infant School from the Swindon Borough Council 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 in the Statement of Financial Activities as voluntary income.

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

Eastrop Infant School

Notes to the Financial Statements for the Period from 4 August 2011 to 31 August 2012

	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets			
Freehold/leasehold land and buildings	-	1,111,254	1,111,254
Other tangible fixed assets	-	7,540	7,540
Budget surplus on LA funds	24,072	35,754	59,826
LGPS pension deficit	(39,000)	-	(39,000)
Borrowing obligations	<u>(6,331)</u>	<u>-</u>	<u>(6,331)</u>
Net (liabilities)/assets	<u>(21,259)</u>	<u>1,154,548</u>	<u>1,133,289</u>