



Company number: 07851205

AMENDED

South Ossett Infants' Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Period 17 November 2011 to 31 August 2012



South Ossett Infants' Academy Trust

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South Ossett Infants' Academy Trust

Reference and Administrative Details

| Governors (Trustees) | | Appointed | Resigned |
|------------------------------|--|------------------|-----------------|
| R Walker | Co Opted Governor / Chair of Governors | 17/11/2011 | |
| C A Mills | Principal | 17/11/2011 | |
| J E Frazer | Staff Governor | 17/11/2011 | |
| L D Forbes | Co Opted Governor | 17/11/2011 | |
| T Sargeant | Community Governor / Responsible officer | 17/11/2011 | |
| T Angus | Staff & Community Governor | 17/11/2011 | |
| C Pearce | Parent Governor | 25/04/2012 | |
| E Snaith | Parent Governor | 17/11/2011 | |
| J Bootland | Parent Governor | 17/11/2011 | |
| S Simmonds | Staff Governor | 17/11/2011 | |
| A Searle | Parent Governor | 17/11/2011 | 28/02/2012 |
| V Foster | Associate Governor | | |

All other board members are members of one of the academy's various sub committees

Senior Leadership Team

| | |
|--------------------------|-------------|
| Principal | C A Mills |
| Senior Manager | J Frazer |
| Business Manager | P Mallinson |
| Key Stage 1 Co-ordinator | T Shute |

Principal and Registered Office

South Ossett Infants' Academy
Vicar Lane
Ossett
West Yorkshire
WF5 0BE

Company Registration Number

07851205 (England & Wales)

South Ossett Infants' Academy Trust**Reference and Administrative Details****Independent Auditor**

Allotts Business Services Ltd
Chartered Accountants
Registered Auditors
Sidings Court
Lakeside
Doncaster
DN4 5NU

Bankers

The Royal Bank of Scotland
747 Attercliffe Road
Sheffield
S9 3RS

Solicitors

Wrigleys Solicitors LLP
19-21 Cookridge Street
Woodhouse
Leeds
LS2 8BL

South Ossett Infants' Academy Trust

Governors' Report

The Governors present their annual report together with the financial statements and auditor's report for the year ended 31st August 2012

Structure of Governance

Constitution

South Ossett Infants' Academy Trust was incorporated on 17 November 2011 and opened as an academy on 1 December 2011. The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and the Articles of Association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of South Ossett Infants' Academy Trust and are also directors of the Charitable Company for the purpose of Company Law. The Charitable Company is known as South Ossett Infants' Academy Trust.

Details of the Governors who have served throughout the year, except as noted, are included in the reference and administrative details on page one of this document.

Members Liability

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

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be in breach of trust or a breach of duty or which was committed by Governors in reckless disregard to whether it was a breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the Academy Trust. The limit of the indemnity is £250,000 on each claim.

Principal Activities

The Academy Trust's objective is specifically restricted to the following: 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 an infant's school offering a broad and balanced curriculum.

Recruitment, Appointment and Training for Governors

All Governors are elected democratically. Each year the Chair and Vice Chair positions are voted on at the first Governing Body meeting of the year. Committee changes are also carried out during meetings where any changes are discussed and reasons for any change are addressed.

Parent representative appointments are carried out formally when they arise. As a small infant school the election of parent governors is often frequent. If they are suitable for another vacancy when their term of office ends, due to their child leaving, they may be co-opted. Parent vacancies are always advertised to all parents, be their child in full or part time schooling. Any parents who wish to be nominated for election put forward to other parents their reasons for wanting to be a governor. These are then shared with the other parents and an election is held.

South Ossett Infants' Academy Trust

Governors' Report (continued)

At each Governing Body meeting, during the constitution agenda item, Local Authority Professionals (LAPs) are discussed. During the period ending 31st August we had 4 people on the GB who were identified as LAP. This took us over the allowed percentage for LAP representation. One of these elected members to the Governing Body is now an Associate Member. When a parent election is held there is a LAPP (Local Authority Appointed Person) restriction placed on the applications.

One of the Governing Body Members has responsibility as the Training Link Governor. All governors attend New Governor Training and a training record for all governors is kept by the Local Authority. We have maintained a Service Level Agreement with the local Authority to ensure training is available to all governors. We have an excellent record of Governors attending the Local Annual Governors Conference.

Policies and Procedures Adopted for the Induction and Training of Governors

All Governors receive a briefing from the Principal and Chair of Governors and are eligible to attend training provided by WMDC, into which the Academy contracts.

Where specific training is required or strongly recommended, as for recruitment of staff or for safeguarding purposes, the Governing Body agrees which members should receive training as appropriate to their role and arranges for attendance at the next available course.

Organisational Structure

The management structure consists of three levels,

- 1 The Umbrella Trust
- 2 The Board of Directors (Governors)
- 3 The Senior Leadership team

The aim of the management structure is to develop responsibility and encourage involvement in decision making at all levels. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of results and budgets and making major decisions about the direction of the trust, capital expenditure and senior staff appointments.

The senior leaders are the Principal to the Academy, Teachers who hold teaching and Learning responsibility posts (both which show incremental difference) and the School Business Manager. The senior leaders control the academy and implement policy and report to the directors. As a group they are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts within the Leadership Team always contain a Governor.

Risk Management

The Governors have assessed the major risks to which the Trust is exposed, in particular those relating to specific teaching, provision of the facilities and other operational areas of the trust and its finances. The key risks have been identified as -

- Health and safety issues – a child, employee or volunteer is injured at work
- Recruitment risk – recruiting someone unsuitable to work with children

South Ossett Infants' Academy Trust

Governors' Report (continued)

- Legal risks – risks that legislative requirements such as the Child Protection Act are not complied with
- Financial risks – uncertainty regarding future government funding streams

The Governors have implemented a number of systems to assess risks that the trust faces, especially in the operational areas, including Health and Safety on academy visits, and in relation to academy finance. There are systems in place to minimise risks including operational procedures i.e. vetting new staff and internal financial controls. Where significant risk still remains the Governors have ensured they have adequate insurance cover. The Trust has effective systems of internal control as follows -

- 1 The Governing Body is responsible for ensuring that the academy
 - keeps proper accounting records during the year which will disclose, with reasonable accuracy and at any time, the financial position of the academy, have been drawn up in accordance with the DfE guidelines, and will enable it to prepare an annual income and expenditure statement that complies with DfE guidelines
 - maintains and operates an effective system of internal control to safeguard all the resources delegated, granted or otherwise entrusted to the academy and ensure they are used cost effectively
- 2 The system of internal control has been developed and is co-ordinated by the Principal. It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.
- 3 Our review of the effectiveness of the systems of internal control is informed by
 - our regular scrutiny of financial and other performance monitoring data
 - regular reports from the Principal and other managers to the Governors
 - our most recent self-evaluation of the internal controls undertaken

The Memorandum of understanding within the Umbrella Trust

Memorandum of Understanding Consortium of Community Trusts Ossett Academy, South Ossett Infant Academy

The academies/schools incorporated have developed systems of quality assurance across a range of performance indicators

Annually, (usually early autumn term) the academies will conduct a summative evaluation of performance indicators including performance data, learning and teaching, behaviour (including attendance and exclusions) and leadership and management. This will be conducted by the heads and at least one member. If the performance of either academy in any of these areas is of concern and represents a downward trend (based on more than one years' data) an action plan will be written by the heads with an agreement for mutual support and/or advice sought from other academies from the same educational phase. Action plans will be agreed by members and shared with individual governing bodies. Action plans will identify lead personnel, will be timed and have agreed targets and procedures for monitoring and evaluating impact.

The umbrella is a member of the individual academy trusts and therefore can exercise their powers as a member. If the individual governing body does not support or respond to any

South Ossett Infants' Academy Trust

Governors' Report (continued)

action plans for improvement they will be subject to a member's decision to exercise their powers of appointment to replace the governors

Objectives and Activities

Objectives, Aims, Strategies and Activities

The Vision

To engage children in the challenges of life with a positive attitude of confidence, self respect and respect for others and to forge ahead regardless of difficulties experienced

All the values, when linked together, just as a jigsaw, make up the whole of South Ossett Infants' Academy

Values

Create a welcoming and stimulating environment with a positive ethos where everyone feels safe, secure and have a sense of belonging

Develop a strong partnership between staff, children, parents, governors and the wider community

Kindle interest, curiosity wonder and enthusiasm in the world

Inspire and Encourage children to work together caring for themselves, others and the world around them

Achieve high academic standards through the development of basic skills, encouraging self expression, creativity, investigation and problem solving through first hand experiences

Enable all children to achieve their potential through experiencing a skills and enquiry based curriculum, which will enable them to grow

Nurture confidence, independence and self motivation, providing equal opportunities for all regardless of gender, race, disability, needs or cultural background

Celebrate success, praise and positively reinforce good relationships, behaviour and work

Cultivate a school environment, which is a happy place and where learning is enjoyable, inclusive, exciting and stimulating, providing excellence through enjoyment

Cherish an environment where spontaneity is encouraged and where failure is accepted and used as a stepping-stone to build future success

Establish a culture of self evaluation, where children think before acting and moving their own learning forward

Encourage the children to make choices which support them in creating a more sustainable environment, in school at home and in the local area

South Ossett Infants' Academy Trust

Governors' Report (continued)

Public Benefit

In setting objectives and planning activities the Governors have given careful consideration to the Charity Commissions general guidance on public benefit

The main public benefit which the Trust offers is the provision of a high quality learning experience for all the children. This has been evidenced by our year on year results and by external verification from OFSTED and the School Improvement Partner Ofsted (July 2010) and SIP Report the following

"The school have been proactive in reviewing the SEF document. The new draft SEF has been refined to reflect the new OFSTED framework and aligned to the four key sections"

"The school has continued to move forwards since the last inspection and has strengthened the procedures for supporting pupils and their families on entry to EYFS"

"Pupils from vulnerable groups achieve above the national average in all core subjects alongside their peers. Challenging targets are set for all pupils and their progress towards them is carefully checked. All staff are involved in the setting and tracking of pupil targets"

Achievement and performance

Achievement and Performance

The Trust has continued to build on its attainment and progress year on year. The projection for this year shows that we will continue to improve. We are currently achieving the highest Foundation Stage and Key Stage One results in the LA.

Foundation Stage

| | 2010 | 2011 | 2012 |
|-----------------------------------|-------------|-------------|-------------|
| Number of Pupils | 30 | 28 | 30 |
| % at 78+ | 97 | 100 | 97 |
| % at 6+ in PSE | 100 | 100 | 97 |
| % at 6+ in CLL | 97 | 100 | 97 |
| % at 6+ in PSE and CLL | 97 | 100 | 97 |
| % at 78pts+ and 6+ in PSE and CLL | 97 | 100 | 97 |
| Average Total FSP Score | 105 | 106 | 103 |

Key Stage 1

Year 1 Phonics Screening

| | 2012 |
|--------------------------------|-------------|
| Number in Cohort | 28 |
| % of Pupil with outcome of WA | 96 |
| % of Pupils with Outcome of WT | 4 |

South Ossett Infants' Academy Trust

Governors' Report (continued)

Year 2 SAT Data

| | | 2010 | 2011 | 2012 |
|------------------|-----------------|-------------|-------------|-------------|
| Reading % | Level 3 | 33 | 47 | 67 |
| | Level 2A | 47 | 17 | 20 |
| | Level 2B | 7 | 33 | 0 |
| | Level 2C | 3 | 3 | 13 |
| | Level 1 | 10 | 0 | 0 |
| | Working Towards | 0 | 0 | 0 |
| Writing % | Level 3 | 30 | 40 | 43 |
| | Level 2A | 33 | 20 | 17 |
| | Level 2B | 17 | 27 | 27 |
| | Level 2C | 10 | 13 | 13 |
| | Level 1 | 10 | 0 | 0 |
| | Working Towards | 0 | 0 | 0 |
| Maths % | Level 3 | 43 | 40 | 53 |
| | Level 2A | 23 | 37 | 33 |
| | Level 2B | 20 | 10 | 3 |
| | Level 2C | 10 | 13 | 10 |
| | Level 1 | 0 | 0 | 0 |
| | Working Towards | 3 | 0 | 0 |

Attendance

| | 2010 | 2011 | 2012 |
|-----------------------------|-------------|-------------|-------------|
| Attendance % | 95.1 | 95.2 | 96.7 |
| Authorised Absence | 4.8 | 4.5 | 3.1 |
| Unauthorised Absence | 1.1 | 1.0 | 0.8 |
| Persistent Absence | 0 | 0 | 1.7 |
| Number of Exclusions | 0 | 0 | 0 |

Financial Review

Financial Report for the Period

Most of the Trust income is obtained from the EFA in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the EFA for the period ended 31st August 2012 and the associated expenditure are shown in the statement of financial activities.

During the period end 31st August 2012 total expenditure was £464,000 and was covered by recurrent grant funding with other incoming resources. The excess of income over expenditure for the year was £22,000 excluding assets and liabilities transferred on conversion to academy status and actuarial losses on the Local Government Pension Scheme.

At 31 August 2012 the net book value of fixed assets was £1,144,000. The value of these fixed assets includes those which were donated by Wakefield Metropolitan District Council and Education Ossett-Community Trust as part of the transfer agreement.

South Ossett Infants' Academy Trust

Governors' Report (continued)

There have been no major items of expenditure on fixed assets during the period following conversion. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The deficit in the Local Government Pension Scheme is recognised on the balance sheet in accordance with the provisions of FRS 17. At 31 August 2012, the deficit was £95,000.

Reserves Policy and Financial Position

The Governors review the level of reserves held by the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. At the end of the year the trust held £87,000 of unrestricted reserves and £1,082,000 of restricted reserves. The reserves are held to ensure the academy has sufficient resources to continue to advance the education of pupils, including incurring the necessary capital expenditure.

Under DfE guidelines, the academy is allowed to carry over 12% of the General Annual Grant received in the year.

Going Concern

After making appropriate enquiries the Governing Body has reasonable expectations 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 preparation of financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies on page 23.

Investment Policy

The Academy ensures that surplus funds are deposited to maximise interest.

Key Financial Performance Indicators

The main financial performance indicator in reporting to the Governing Body has been monthly revenue against monthly expenditure for key budget headings / items (for example salaries, building costs, maintenance).

Financial and Risk Management Objectives and Policies

The Governors have implemented a number of systems to assess and minimise risks, described elsewhere in this report. Adequate insurance is in place where appropriate. The Governors examine the financial health every term, reviewing performance against budget and overall expenditure. At the period end, the Academy has 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 (Local Government Pension Scheme) 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, the risk from the liability is minimised.

Principal Risks and Uncertainties

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

- Financial - the Academy has considerable reliance on continued Government funding through the EFA, whilst levels are 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 level or on the same terms.

South Ossett Infants' Academy Trust

Governors' Report (continued)

- Failures in governance and /or in management to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns
- Fraud and mismanagement of funds - the Academy has appointed a Responsible Officer to carry out checks on financial systems and records
- Safeguarding and Child protection - the governors continue to ensure the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline

Plans for the Future

We aim to be able to support more schools whilst maintaining our own high standards. We aim to provide the highest educational opportunities for all our children as well as providing professional development for all teaching and support staff so that the academy is self-developing and self-supporting in the future.

Building Capacity is a part of our drive and we have strength in willingness to engage with outside partners and with new and innovative practices which will help us secure high levels of attainment and progress for all.

SDP Priorities for this year are as follows:

Curriculum

To implement the new changes to the new Early Years Foundation Stage Curriculum

To Develop Effective Practice in the Outdoor Environment in Foundation Stage

Following on from the development of the new KS 1 curriculum, to develop the roles and responsibilities of the subject leader within the academy.

Governance

a) To improve the overall governance of South Ossett Infants' Academy

b) To work to reach 'good' or better in the FMGE review

Funds held as Custodian Trustee on behalf of others

The academy and its governors do not act as custodian trustees of any other charity.

Auditor

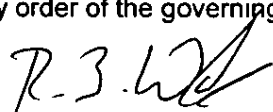
In so far as the governors are aware:

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

Allotts Business Services Ltd, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the charitable company receives notice under section 488(1) of the Companies Act 2006.

Approved by order of the governing body on 19 November 2012 and signed on its behalf by

R Walker
Chair



South Ossett Infants' Academy Trust

Governance Statement

Scope of Responsibility

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

The Governing Body has delegated the day to day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between South Ossett Infants' Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

| | Attended | Possible |
|------------|-----------------|-----------------|
| R Walker | 4 | 4 |
| T Angus | 2 | 4 |
| C Pearce | 2 | 2 |
| E Smaith | 3 | 4 |
| J Bootland | 4 | 4 |
| T Sargeant | 4 | 4 |
| J Frazer | 4 | 4 |
| S Simmonds | 3 | 4 |
| A Searle | 2 | 4 |
| C Mills | 4 | 4 |

South Ossett Infants' Academy Trust

Governance Statement (continued)

The Finance Committee is a sub-committee of the main governing body. Its purpose is to manage the Academy's resources and finances efficiently and effectively.

The Finance Committee meets on a regular basis at least once every half term. Mrs P Mallinson, the Business Manager, joins the committee to support the financial decisions of the committee.

Attendance at meetings in the period was as follows:

| | Attended | Possible |
|-------------|-----------------|-----------------|
| L Forbes | 4 | 5 |
| R Walker | 5 | 5 |
| T Angus | 4 | 5 |
| J Bootland | 2 | 5 |
| C Mills | 5 | 5 |
| P Mallinson | 5 | 5 |

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 ongoing processes designed to identify and prioritise the risks to the achievement of the 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 at South Ossett Infants' Academy Trust for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

South Ossett Infants' Academy Trust

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the finance committee of reports which indicate financial performance against forecasts and of any major purchase plans,
- Setting targets to measure financial and other performance,
- clearly defined purchasing 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 Mr T Sargeant, a Governor, 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. During the period, the Governors appointed Allotts Business Services Ltd to assist in this role and to ensure that the systems of controls are operating effectively. No material control issues were identified. Going forward, the Governing Body will continue to use the services of Allotts Business Services Ltd to ensure that the Academy Trust's financial systems are operating effectively.


Review of Effectiveness

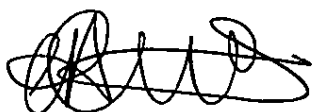
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the 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 internal control by the Finance Committee and a plan to address any weaknesses and ensure continuous improvement of the systems in place.

Approved by order of the members of the Governing Body on 19 November 2012 and signed on its behalf by


R Walker (Chair)


C A Mills (Accounting Officer)

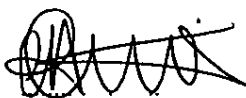
South Ossett Infants' Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of South Ossett Infants' 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 with the Academies Financial Handbook.

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

A handwritten signature in black ink, appearing to be 'C A Mills', with a stylized, cursive script.

C A Mills
(Accounting Officer)

South Ossett Infants' Academy Trust

Statement of Governors' Responsibilities

The Governors (who act as trustees for charitable activities for South Ossett Infants' Academy Trust and are also directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

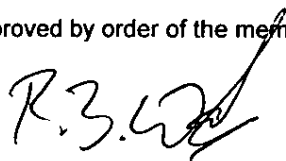
- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

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

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

Approved by order of the members of the Governing Body on 19 November 2012 and signed on its behalf by



Miss R Walker
(Chair)

South Ossett Infants' Academy Trust

**Independent Auditor's Report on the Financial Statements to the
Governing Body of South Ossett Infants' Academy Trust**

We have audited the financial statements of South Ossett Infants' Academy Trust for the period ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state 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 academy and its members 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 Governors' Responsibilities Statement set out on page 15, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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 Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

South Ossett Infants' Academy Trust

**Independent Auditor's Report on the Financial Statements to the
Governing Body of South Ossett Infants' Academy Trust**

Opinion on other matters 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



Jacqueline Saunders BA FCA DChA (Senior Statutory Auditor)
for and on behalf of
Allotts Business Services Ltd
Chartered Accountants
Statutory Auditor
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

14 December 2012

South Ossett Infants' Academy Trust

**Independent Reporting Accountant's Assurance Report on Regularity
to South Ossett Infants' Academy Trust
and the Education Funding Agency**

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Ossett Infants' Academy Trust during the period 1 December 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 South Ossett Infants' Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South Ossett Infants' Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than South Ossett Infants' Academy Trust and the EFA for our work, for this report, or for the conclusion we have formed

Respective Responsibilities of South Ossett Infants' Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of South Ossett Infants' Academy Trust's funding agreement with the Secretary of State for Education dated 28 November 2011 and the Academies Financial Handbook as published by the EFA in September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 December 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

South Ossett Infants' Academy Trust

**Independent Reporting Accountant's Assurance Report on Regularity
to South Ossett Infants' Academy Trust
and the Education Funding Agency (continued)**

Conclusion

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



Allotts Business Services Ltd
Chartered Accountants
Statutory Auditor
Sidings Court
Lakeside
Doncaster
DN4 5NU

14 December 2012

South Ossett Infants' Academy Trust

Statement of Financial Activities For the Period Ended 31 August 2012

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

| | NOTES | Unrestricted Funds 2012 £000 | Restricted General Funds 2012 £000 | Restricted Fixed Asset Funds 2012 £000 | Total Funds 2012 £000 |
|---|-------|---------------------------------------|--|--|--------------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds: | | | | | |
| Voluntary Income - assets and liabilities transferred on conversion | 3 | 88 | (61) | 1,151 | 1,178 |
| Activities for generating funds | 4 | 3 | 13 | - | 16 |
| Investment income | 5 | - | - | - | - |
| Incoming resources from charitable activities: | | | | | |
| Funding for the Academy's educational operations | 6 | - | 465 | 5 | 470 |
| TOTAL INCOMING RESOURCES | | <u>91</u> | <u>417</u> | <u>1,156</u> | <u>1,664</u> |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds | | | | | |
| Charitable activities | 7 | - | - | - | - |
| Academy's educational operations | 8 | 4 | 409 | 24 | 437 |
| Governance costs | 9 | - | 27 | - | 27 |
| TOTAL RESOURCES EXPENDED | 7 | <u>4</u> | <u>436</u> | <u>24</u> | <u>464</u> |
| NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS | | 87 | (19) | 1,132 | 1,200 |
| Gross transfers between funds | 17 | - | (12) | 12 | - |
| NET INCOME/(EXPENDITURE) FOR THE PERIOD | | <u>87</u> | <u>(31)</u> | <u>1,144</u> | <u>1,200</u> |
| OTHER RECOGNISED GAINS AND LOSSES | | | | | |
| Actuarial (losses)/gains on defined benefit pension schemes | 23 | - | (31) | - | (31) |
| NET MOVEMENT IN FUNDS | | <u>87</u> | <u>(62)</u> | <u>1,144</u> | <u>1,169</u> |
| RECONCILIATION OF FUNDS | | | | | |
| Accumulated funds brought forward | 17 | - | - | - | - |
| Accumulated funds carried forward | | <u>87</u> | <u>(62)</u> | <u>1,144</u> | <u>1,169</u> |

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

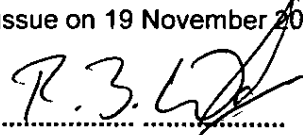
The notes attached form part of these financial statements

South Ossett Infants' Academy Trust
(Company Number 07851205)

Balance Sheet as at 31 August 2012

| | NOTES | £000 | £000 |
|---|-------|------------|---------------------|
| FIXED ASSETS | | | |
| Tangible assets | 13 | | 1,144 |
| CURRENT ASSETS | | | |
| Stock | 14 | - | |
| Debtors | 15 | 14 | |
| Cash at bank and in hand | | 138 | |
| | | <u>152</u> | |
| CREDITORS: | | | |
| Amounts falling due within one year | 16 | 32 | |
| NET CURRENT ASSETS/(LIABILITIES) | | | <u>120</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,264 |
| NET ASSETS EXCLUDING PENSION LIABILITY | | | |
| Pension scheme liability | 23 | | (95) |
| NET ASSETS INCLUDING PENSION LIABILITY | | | <u><u>1,169</u></u> |
| FUNDS OF THE ACADEMY | | | |
| RESTRICTED FUNDS | | | |
| Fixed asset funds | 17 | | 1,144 |
| General funds | 17 | | 33 |
| Pension reserve | 17 | | (95) |
| | | | <u>1,082</u> |
| UNRESTRICTED FUNDS | | | |
| General funds | 17 | | 87 |
| | | | <u>87</u> |
| TOTAL FUNDS | | | <u><u>1,169</u></u> |

The financial statements on pages 20 to 37 were approved by the Governors, and authorised for issue on 19 November 2012 and are signed on their behalf by



 R Walker
 Chair

The notes attached form part of these financial statements

South Ossett Infants' Academy Trust

Cash Flow Statement for the period ended 31 August 2012

| | Notes | 2012 £000 |
|---|--------------|----------------------|
| Net cash inflow from operating activities: | 1 | 61 |
| Returns on investments and servicing of finance | 2 | - |
| Cash transferred on conversion to an academy trust | | 91 |
| Capital expenditure | 3 | (14) |
| Increase in cash and cash equivalents | 4 | 138 |
| Reconciliation of net cash flow to movement in net funds | | |
| Net funds at 1 December 2011 | | - |
| Net funds at 31 August 2012 | | 138 |

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

Notes to the Cash Flow Statement

| | 2012 £000 | | |
|--|-------------------------------|-----------------------|------------------------------|
| 1. Reconciliation of net income to net cash inflow from operating activities: | | | |
| Net income | 1,200 | | |
| Depreciation charges | 24 | | |
| (Assets)/liabilities transferred on conversion | (1,178) | | |
| Interest receivable | - | | |
| FRS17 pension costs less contributions payable | 2 | | |
| FRS17 pension finance costs | - | | |
| Capital grants | (5) | | |
| Increase in debtors | (14) | | |
| Increase in creditors | 32 | | |
| Net cash inflow from operating activities | <u>61</u> | | |
| 2. Returns on investments and servicing of finance | | | |
| Bank interest received | <u>-</u> | | |
| Net cash inflow from returns on investment and serving of finance | <u>-</u> | | |
| 3. Capital expenditure and financial investment | | | |
| Purchase of tangible fixed assets | 19 | | |
| Capital grants from EFA/YPLA | (5) | | |
| Net cash outflow from capital expenditure and financial investment | <u>14</u> | | |
| 4. Analysis of changes in net funds | | | |
| | At 1 December 2011 £000 | Cash Flows £000 | At 31 August 2012 £000 |
| Cash at hand and in bank | - | 138 | 138 |

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

1. ACCOUNTING POLICIES

a) Basis of Preparation

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

b) 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.

c) 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. The General Accounting Grant (GAG) has been used for the purpose for which it was intended and in compliance with the academy's funding agreement.

Donations

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

Other income

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

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.

The academy's land and buildings were gifted by Education Ossett -Community Trust on conversion. The buildings were valued on conversion at depreciated replacement cost and are depreciated over the remainder of their expected life. Land was valued on a similar basis at conversion. This has not been subsequently depreciated.

Other fixed assets transferred on conversion were valued at original cost less depreciation to the date of conversion.

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

1 ACCOUNTING POLICIES (CONTINUED)

d) Resources Expended

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

Costs of generating funds

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

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

e) 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 on a straight-line basis over its expected useful life, as follows:

| | |
|----------------------------------|---|
| Freehold land | Not depreciated |
| Inherited buildings | over 29 years, being the remainder of the life of the buildings |
| Fixtures, fittings and equipment | over 5 years |
| Computer equipment and licences | over 3 years |

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.

f) Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

g) Stock

Stock of school bags are valued at the lower of cost or net realisable value.

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

1. ACCOUNTING POLICIES (CONTINUED)

h) 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.

i) Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, 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.

j) 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 funder where the asset acquired or created is held for a specific purpose.

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

k) Conversion to 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 South Ossett Infant 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 South Ossett Infants' Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net 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 note 25.

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

2. GENERAL ANNUAL GRANT

| | 2012 £000 |
|---|----------------------|
| a) Results and carry forward for the year | |
| GAG brought forward from previous year | - |
| GAG allocation for current year | 385 |
| Total GAG available to spend | 385 |
| Recurrent expenditure from GAG | (340) |
| Fixed assets purchased from GAG | (12) |
| GAG carried forward to next year | 33 |
| Maximum permitted GAG carry forward at end of current year (12% of allocation for current year) | (46) |
| GAG to surrender to DfE | |
| (12% rule breached if result is positive) | (13) |
| | no breach |

b) Use of GAG brought forward from previous year for recurrent purposes
(of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes Any balance can only be used for capital purposes)

| | |
|--|-------------|
| Recurrent expenditure from GAG in current year | 340 |
| GAG allocation for current year | (385) |
| GAG allocation for previous year x 2% | - |
| GAG brought forward in excess of 2% used on recurrent expenditure | (45) |
| (2% rule breached if result is positive) | no breach |

3 VOLUNTARY INCOME

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2012 £000 |
|-----------------------------------|--|--------------------------------------|--------------------------------|
| Transfers on Conversion | | | |
| Land and buildings | - | 1,121 | 1,121 |
| Computer equipment & licences | - | 5 | 5 |
| Fixtures & fittings | - | 22 | 22 |
| School Fund cash balance | 5 | - | 5 |
| Cash surplus from local authority | 83 | 3 | 86 |
| Pension deficit | - | (61) | (61) |
| | 88 | 1,090 | 1,178 |

4. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2012 £000 |
|-----------------|--|--------------------------------------|--------------------------------|
| Catering income | - | 11 | 11 |
| Sundry income | 3 | 2 | 5 |
| | 3 | 13 | 16 |

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

5. INVESTMENT INCOME

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2012 £000 |
|---------------------------|--|--------------------------------------|--------------------------------|
| Investment income: | | | |
| Bank interest received | - | - | - |

6 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2012 £000 |
|--------------------------------|--|--------------------------------------|--------------------------------|
| DfE/EFA capital grants | | | |
| EFA capital grant | - | 5 | 5 |
| DfE/EFA revenue grants | | | |
| GAG | - | 385 | 385 |
| Other EFA grants | - | 26 | 26 |
| | - | 411 | 411 |
| Other government grants | | | |
| Early Years Funding | - | 47 | 47 |
| SEN Funding | - | 7 | 7 |
| | - | 54 | 54 |
| | - | 470 | 470 |

7. RESOURCES EXPENDED

| | Staff Costs £000 | Premises £000 | Other Costs £000 | Total 2012 £000 |
|----------------------------------|---------------------------------|--------------------------|---------------------------------|--------------------------------|
| Costs of generating funds | - | - | - | - |
| Academy's educational operations | | | | |
| Direct costs | 183 | 24 | 44 | 251 |
| Allocated support costs | 118 | 38 | 30 | 186 |
| | 301 | 62 | 74 | 437 |
| Governance costs | - | - | 27 | 27 |
| Total | 301 | 62 | 101 | 464 |

Incoming/outgoing resources for the year include:

| | Total 2012 £000 |
|-------------------------|--------------------------------|
| Operating leases | 2 |
| Fees payable to auditor | 4 |
| audit | 2 |
| other services | 24 |
| Depreciation | 24 |

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2012 £000 |
|---------------------------------------|--|--------------------------------------|--------------------------------|
| Direct costs | | | |
| Teaching staff costs | - | 183 | 183 |
| Depreciation | - | 24 | 24 |
| Educational supplies | - | 13 | 13 |
| Staff development | - | 4 | 4 |
| Catering costs | - | 22 | 22 |
| Trips | - | 1 | 1 |
| Other direct costs | - | 4 | 4 |
| | <u>-</u> | <u>251</u> | <u>251</u> |
| Allocated support costs | | | |
| Support staff costs | - | 118 | 118 |
| Marketing | - | 4 | 4 |
| Maintenance of premises and equipment | - | 16 | 16 |
| Rates | - | 2 | 2 |
| Insurance | - | 9 | 9 |
| Utilities | - | 11 | 11 |
| Security and transport | - | 1 | 1 |
| ICT costs | - | 19 | 19 |
| Other support costs | 4 | 2 | 6 |
| | <u>4</u> | <u>182</u> | <u>186</u> |
| | <u>4</u> | <u>433</u> | <u>437</u> |

9. GOVERNANCE COSTS

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2012 £000 |
|-----------------------------|--|--------------------------------------|--------------------------------|
| Legal and professional fees | - | 21 | 21 |
| Auditor's remuneration | | | |
| - audit fees | - | 4 | 4 |
| - non-audit services | - | 2 | 2 |
| Support costs | - | - | - |
| | <u>-</u> | <u>27</u> | <u>27</u> |

10. STAFF COSTS AND NUMBERS

| | |
|------------------------------------|----------------------|
| Staff costs during the period were | 2012 £000 |
| Wages and salaries | 248 |
| Social Security costs | 15 |
| Pension costs | 35 |
| FRS 17 pension adjustment | 3 |
| | <u>301</u> |
| Supply teacher costs | - |
| | <u>301</u> |

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

10. STAFF COSTS AND NUMBERS (CONTINUED)

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

| | 2012 No. |
|------------------------------|---------------------|
| Charitable Activities | |
| Teachers | 2 |
| Administration and support | 7 |
| Management | 4 |
| | <hr/> 13 <hr/> |

There were no employees who earned more than £60,000 during the period

11. GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors.

The remuneration paid during the period was as follows

| | |
|--|-------------------|
| C Mills, Principal & trustee | £30,000 - £35,000 |
| S Simmonds, Staff governor and trustee | £5,000 - £10,000 |
| J Frazer, Staff governor and trustee | £30,000 - £35,000 |
| T Angus, Staff governor and trustee | £0 - £5,000 |

There were no governor expenses paid during the period

Other related party transactions involving trustees are set out in note 24

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance cover provides cover up to £250,000 on any one claim.

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

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

13. TANGIBLE ASSETS

| | Freehold Land and Buildings | Furniture and Equipment | Computer Equipment | Total |
|------------------------|-----------------------------------|-------------------------------|-----------------------|--------------|
| | £000 | £000 | £000 | £000 |
| Cost | | | | |
| Transfer on conversion | 1,121 | 23 | 5 | 1,149 |
| Additions | - | 16 | 3 | |
| Disposals | - | - | - | - |
| At 31 August 2012 | <u>1,121</u> | <u>39</u> | <u>8</u> | <u>1,168</u> |
| Depreciation | | | | |
| Charge for the period | 16 | 6 | 2 | 24 |
| Eliminated on disposal | - | - | - | - |
| At 31 August 2012 | <u>16</u> | <u>6</u> | <u>2</u> | <u>24</u> |
| Net Book Values | | | | |
| At 31 August 2012 | <u>1,105</u> | <u>33</u> | <u>6</u> | <u>1,144</u> |

14. STOCK

| | 2012 £000 |
|------------------|--------------|
| School book bags | - |
| | <u>-</u> |

15. DEBTORS (all due within one year)

| | 2012 £000 |
|--------------------------------|--------------|
| Trade debtors | - |
| Prepayments and accrued income | 6 |
| Other debtors | 8 |
| | <u>14</u> |

16. CREDITORS: Amounts falling due within one year

| | 2012 £000 |
|---------------------------------|--------------|
| Trade creditors | 20 |
| Other taxes and social security | - |
| Accruals and deferred income | 12 |
| | <u>32</u> |
| <i>Deferred income</i> | |
| Brought forward | - |
| Released | - |
| Deferred from current receipts | |
| Carried forward | <u>-</u> |

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

17. FUNDS

| | Balance 01/12/2012 £000 | Incoming Resources £000 | Resources Expended £000 | Gains, Losses & Transfers £000 | Balance 31/08/2012 £000 |
|--|-------------------------------|-------------------------------|-------------------------------|--------------------------------------|-------------------------------|
| Restricted general funds | | | | | |
| General annual grant (GAG) | - | 385 | (340) | (12) | 33 |
| Other EFA grants | - | 26 | (26) | - | - |
| Other grants | - | 54 | (54) | - | - |
| Other Income | - | 13 | (13) | - | - |
| Pension reserve | - | (61) | (3) | (31) | (95) |
| | - | 417 | (436) | (43) | (62) |
| Restricted fixed asset funds | | | | | |
| Inherited assets | - | 1,151 | (21) | - | 1,130 |
| EFA capital grants and capital expenditure from GAG | - | 5 | (3) | 12 | 14 |
| | - | 1,156 | (24) | 12 | 1,144 |
| Total restricted funds | - | 1,573 | (460) | (31) | 1,082 |
| Unrestricted funds | - | 91 | (4) | - | 87 |
| Total funds | - | 1,664 | (464) | (31) | 1,169 |

GAG may only be spent in compliance with the academy's funding agreement. In particular the amount of unspent funds carried forward is restricted as set out in note 2.

Other grants include the following

SEN Funding - several children in school have a statement of special education need for various reasons and this funding allows them access to teachers and teaching assistants for a certain number of hours per week to help with this need.

Early Years Funding - the government provides funding for all 3 to 4 year old children, starting from the funding period after their third birthday until they start school, to attend an Ofsted registered early years and childcare setting.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|--|--|------------------------|
| Tangible fixed assets | - | - | 1,144 | 1,144 |
| Current assets | 87 | 65 | - | 152 |
| Current liabilities | - | (32) | - | (32) |
| Pension scheme liability | - | (95) | - | (95) |
| Total net assets | 87 | (62) | 1,144 | 1,169 |

19 CAPITAL COMMITMENTS

**2012
£000**

Contracted for, but not provided in the financial statements

-

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

20. FINANCIAL COMMITMENTS

Operating leases

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

| | 2012 |
|--|-------------|
| | £000 |
| Land and buildings | |
| Expiring within one year | - |
| Expiring within two and five years inclusive | - |
| Expiring in over five years | - |
| | <hr/> |
| | <hr/> |
| Other | |
| Expiring within one year | - |
| Expiring within two and five years inclusive | 2 |
| Expiring in over five years | - |
| | <hr/> |
| | <hr/> |

21. CONTINGENT LIABILITIES

There are no contingent liabilities

22 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

23 PENSIONS 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 West Yorkshire Pension Fund Both are defined-benefit schemes

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from maintained school and new employees who were eligible to, and did, join the Scheme in the period The obligation in respect of employees who were transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 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 year

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

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) Act 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 costs of pension increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary (GA), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the 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 the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers would broadly defray the costs of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of 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 the future and by notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at valuation date) was £163,240 millions. The assumed real rate of return 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%.

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

23 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

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 the 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 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 the 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 FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions for the period ended 31 August 2012 was £19,000, of which employers' contributions totalled £14,000 and employees' contributions totalled £5,000. The agreed contribution rates for future years are 18.6% for employers and varies depending on salary value for employees.

Major assumptions

| | At 31 August 2012 % | At 1 December 2011 % |
|---|------------------------------------|-------------------------------------|
| Discount rate | 4.1 | 4.9 |
| Rate of increase to pensions in payment | 2.1 | 2.2 |
| Rate of increase to deferred pensions | 2.1 | 2.2 |
| Rate of increase in salaries | 4.6 | 4.7 |
| Rate of CPI inflation | 2.1 | 2.2 |
| Rate of RPI inflation | 3.1 | 3.2 |
| Expected return on assets | 5.57 | 5.63 |

Commutation of pension for lump sum on retirement

At the last full valuation of the Employer's liabilities

Each member assumed to exchange 50% of the maximum amounts permitted of their past service pension entitlements, for additional lump sum

Each member assumed to exchange 75% of the maximum amounts permitted of their future service pension entitlements, for additional lump sum

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

23 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

Sensitivity Analysis

The actuarial report has not provided advice on the sensitivity of the results to the key assumptions

Life expectancy assumptions

The average future life expectancies at the age of 65 are summarised below

| | At 31 August 2012 years | At 1 December 2011 years |
|---|--|---|
| Male current pensioner age 65 now | 22.0 | N/A |
| At 65 for a male future pensioner aged 45 now | 23.8 | N/A |
| Female current pensioner age 65 now | 24.1 | N/A |
| At 65 for a female future pensioner aged 45 now | 26.1 | N/A |

Share of assets and rate of return

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

| | Long-term rate of return expected as at 31 August 2012 % | Fair value as at 31 August 2012 £000 | Long-term rate of return expected as at 1 December 2011 % | Fair value as at 1 December 2011 £000 |
|------------------------------|---|---|--|--|
| Equities | 7.5 | 145.40 | 7.5 | 121.97 |
| Property | 7.0 | 7.49 | 7.0 | 6.86 |
| Government bonds | 2.5 | 27.66 | 3.0 | 23.94 |
| Corporate bonds | 3.2 | 11.86 | 4.2 | 8.98 |
| Cash | 1.3 | 5.82 | 1.7 | 3.70 |
| Other | 7.5 | 9.77 | 7.5 | 10.55 |
| Total | 6.4 | 208 | 5.63 | 176 |
| | | £000 | | £000 |
| Fair value of assets | | 208 | | 176 |
| Present value of liabilities | | (303) | | (237) |
| (Deficit) in the scheme | | (95) | | (61) |

The actual return on scheme assets was £13,000

Basis used to determine expected return

South Ossett Infants' Academy Trust employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2012.

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

23 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

Movement in deficit

| | 2012 £000 |
|-------------------------------|----------------------|
| At 1 December 2011 | - |
| Inherited on conversion | (61) |
| Current service charge | (17) |
| Employer contributions | 14 |
| Past service gain/(cost) | - |
| Net interest/return on assets | - |
| Actuarial gain/(loss) | (31) |
| At 31 August 2012 | <u>(95)</u> |

Net (interest)/return on assets

| | 2012 £000 |
|---------------------------|----------------------|
| Expected return on assets | 9 |
| Interest on liabilities | <u>(9)</u> |
| | <u>-</u> |

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of gains and losses recognised in the Statement of Financial Activities since the adoption of FRS17 is a £31,000 loss.

Amounts recognised in the statement of financial activities

| | 2012 £000 |
|--|----------------------|
| Current service cost (net of employee contributions) | 17 |
| Past service cost | - |
| Total operating charge | <u>17</u> |
| Analysis of pension finance income / (costs) | |
| Expected return on pension scheme assets | 9 |
| Interest on pension liabilities | <u>(9)</u> |
| Pension finance income / (costs) | <u>-</u> |

All experience adjustments arose in this current period.

South Ossett Infants' Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

23 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

Movements in the present value of defined benefit obligations were:

| | 2012 |
|--|-------------|
| | £000 |
| At 1 December 2011 | 237 |
| Current service cost | 17 |
| Interest cost | 9 |
| Employee contributions | 5 |
| Benefits / transfers paid | - |
| Actuarial (gain) / loss on liabilities | 35 |
| At 31 August 2012 | <u>303</u> |

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

| | 2012 |
|-----------------------------------|-------------|
| | £000 |
| At 1 December 2011 | 176 |
| Expected return on assets | 9 |
| Employee contributions | 5 |
| Employer contributions | 14 |
| Benefits / transfers paid | - |
| Actuarial gain / (loss) on assets | 4 |
| At 31 August 2012 | <u>208</u> |

The estimated value of employer contributions for the year ended 31 August 2013 is £22,000

24 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.

There were no related party transactions involving the governors.

25 CONVERSION TO AN ACADEMY TRUST

On 1 December 2011 South Ossett Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to South Ossett Infants' Academy Trust from Wakefield Metropolitan District Council and Osset Education-Community Trust 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 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 an analysis of their recognition in the Statement of Financial Activities.

| | Unrestricted | Restricted | Restricted | TOTAL |
|-----------------------------|---------------------|-------------------|-------------------|--------------|
| | Funds | General | Fixed | |
| | £000 | Funds | Asset Fund | £000 |
| Land and buildings | | | 1,121 | 1,121 |
| Other tangible fixed assets | | | 27 | 27 |
| Budget Surplus on LA Funds | 83 | | 3 | 86 |
| School Fund surplus | 5 | | | 5 |
| LGPS pension (deficit) | | (61) | | (61) |
| Net assets/(liabilities) | <u>88</u> | <u>(61)</u> | <u>1,151</u> | <u>1,178</u> |

The above net assets/(liabilities) include £91,000 that was transferred in cash.