

**NETHERTHORPE SCHOOL**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE 18 MONTHS ENDED 31  
AUGUST 2013**



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## **NETHERTHORPE SCHOOL**

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## **NETHERTHORPE SCHOOL**

### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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<b>Governors</b>	Mr K Bacon (appointed 3 February 2012) Mr R Brennan (appointed 3 February 2012) Mr P Brown (appointed 3 February 2012) Revd W A Butt (appointed 3 February 2012) Miss L Collins (appointed 3 February 2012) Mr I Else (appointed 3 February 2012) Mrs A Green (appointed 12 March 2012) Mr D Henderson (appointed 20 November 2012, resigned 1 September 2013) Mr J Hendley, Chairman (appointed 3 February 2012) Mr N Hiller (appointed 3 February 2012) Revd S F Jones (appointed 27 April 2013) Mr J Morehen (appointed 3 February 2012) Dr T Poole (appointed 3 February 2012, resigned 31 August 2013) Mr S Poole (appointed 3 February 2012) Mr S Riley (appointed 3 February 2012) Mr A C Senior, Head Teacher and Accounting Officer (appointed 3 February 2012) Miss K West (appointed 9 February 2012) Mr J Woodhead Windle (appointed 3 February 2012, resigned 15 May 2012) Miss C Wood (appointed 3 February 2012) Miss D Newton (appointed 3 February 2012, resigned 6 February 2012) Mr F Smith (appointed 3 February 2012, resigned 20 November 2012) Mr K Taylor-Nobbs (appointed 9 February 2012, resigned 27 April 2013) Mr G Mason (appointed 20 September 2013) Mr P Pierce (appointed 1 September 2013) Mr S Abdullah (appointed 1 September 2013) Mrs K Webster (appointed 1 September 2013)
<b>Endowment Governors</b>	Councillor J Williams, DCC nominated representative Councillor L Collins, DCC nominated representative Councillor J Bacon, DCC nominated representative Councillor E Tidd, DCC nominated representative Mrs V Arnold (deceased 1 January 2013) Mrs P Ripper Mrs J Needham (from 1 April 2013) Reverend S Jones, Rector & Churchwardens of Staveley Parish (from 1 June 2013) Mr I Else, Duke of Devonshire's Representative Mr T Norton Mrs P McConnell
<b>Senior Leadership Team</b>	Mr A C Senior, Headteacher Mrs S Dight, Deputy Head Mr K Brown, Deputy Head Mrs H McVicar, Assistant Head Mr P Bamford, Assistant Head Mrs N Connolley, Assistant Head Mr A Doughty, Bursar Mr N Hemmingway, Personnel & Business Manager
<b>Company registered number</b>	7935515

## **NETHERTHORPE SCHOOL**

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013

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### ***Advisers (continued)***

<b>Principal and registered office</b>	Ralph Road Staveley Chesterfield Derbyshire S43 3PU
<b>Company secretary</b>	D Tai
<b>Independent auditors</b>	Barber Harrison & Platt Chartered Accountants 57-59 Saltergate Chesterfield S40 1UL
<b>Bankers</b>	Lloyds Bank Butt Dyke House 33 Park Row Nottingham NG61 6GY
<b>Solicitors</b>	Browne Jacobson Castle Meadow Road Nottingham NG2 1BJ

## **NETHERTHORPE SCHOOL**

### **GOVERNORS' REPORT**

**FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Netherthorpe School (the academy) for the 18 month period ended 31 August 2013. The Governors confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

#### **Structure, governance and management**

##### **a Constitution**

The academy is a charitable company limited by guarantee which was set up incorporated on 3 February 2012 and commenced operating on 1 March 2012.

The academy is constituted under a Memorandum of Association dated 3 February 2012.

The principal object of the academy is to advance education for the public benefit by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

##### **b Members' liability**

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

##### **c Method of recruitment and appointment or election of Governors**

The School's Articles of Association provide the following Governor positions:

- One Governor appointed by the Members
- One Local Authority Governor
- Seven Parent Governors
- Three Staff Governors
- Four Foundation Governors
- Two Community Governors
- The Headteacher

The Secretary of State for Education may, in special circumstances, appoint further and additional Governors. No Secretary of State appointments were made during the year.

The individuals referred to as Endowment Governors, on page 1, are not Directors or Governors of the academy trust itself. They are Trustees of the Netherthorpe School Foundation (see page 5 for further details).

##### **d. Policies and procedures adopted for the induction and training of Governors**

At Netherthorpe School, the Governing Body and Headteacher believe it is essential that all new Governors receive a comprehensive induction package covering a broad range of issues and topics. We are committed to ensure that the new governors are given the necessary information and support to fulfil their role with confidence. We see this as an investment leading to more effective governance and retention of Governors. We want to make new Governors feel welcome to their Governing Body.

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## **NETHERTHORPE SCHOOL**

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

**FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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New Governors will -

- be welcomed to the Governing Body by the Chairman
- be invited by the Headteacher to visit the school to experience its atmosphere and understand its ethos
- have the opportunity to tour the school and meet staff and children
- receive an informal briefing on the school from the Headteacher to explain the partnership between the Headteacher, school and Governing Body
- have the opportunity to meet informally with an existing Governor who will then act as their mentor They will explain how the Governing Body and its Committees work
- be encouraged to join the Committee(s) of their choice
- be accompanied by their mentor to their first Full Governing Body Meeting (if required)
- have the opportunity to review their first meeting with the mentor
- be given background material on the school and current issues
- be encouraged to ask questions about their role and/or the school
- be encouraged to access training including induction training for Governors

New Governors will receive and be encouraged to read relevant documents including the following -

- The Department for Education and Skills 'Guide to the Law for Governors'
- School Prospectus
- Ofsted Report and Action Plan (if appropriate in the last 4 years)
- School Improvement Plan
- Last Headteacher's Report to the Governing Body
- List of staff, responsible areas and job titles (Head of Year etc)
- List of Governors' names and responsible areas (committee member etc)
- Map/Plan of the school
- List of school holidays
- Copy of the minutes of the last two Governing Body Meetings (not the confidential minutes)
- Copy of the school budget
- Copy of the latest school newsletter
- Dates of forthcoming Governing Body Meetings and Committees
- School Profile (a side of A4 describing the school current development issues)

#### **e Organisational structure**

The Governing Body's Role in the Academy is, essentially, a strategic one Acting on the advice of the Headteacher the Governing Body sets aims and objectives for the school and policies and targets which will achieve these aims and objectives It also monitors the progress of the school towards the achievements of the aims and objectives, in the light of that progress, review the strategic framework it has established

To facilitate the working of the Governing Body some of its functions are delegated to committees, the Headteacher and Senior Leadership Team The committees are -

- Finance and Resources Committee (5 meetings per year)
- Education Committee (5 meetings per year)
- Audit Committee (3 meetings per year)
- Pay Review Committee (1 scheduled meeting per year))
- Health & Safety Committee (2 meetings per year)
- Governors' Disciplinary Panel (Staff and Students) meet as necessary

Full Governors' meet 5 times a year, Members meet once during the year and the Endowment Governors meet twice

The Education Committee consider the Curriculum, Special Needs, Home-School links, Pastoral Welfare

## **NETHERTHORPE SCHOOL**

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

**FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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#### **Delegated Powers -**

- Approval of curriculum policy documents in pursuit of excellence
- Approval of policies relating to the welfare of pupils and home-school links
- To monitor exclusions
- To monitor attendance
- To monitor and raise standards
- To consider any complaints about school procedures
- To review school self-evaluation procedures
- To consider admissions policy and procedures

The Finance and Resources Committee consider Finance, Personnel, Health & Safety, Premises Matters

#### **Delegated Powers**

- Approval of unbudgeted spending up to £10,000 and approval of all budgeted expenditure
- Approval of first formal budget plan of the financial year
- Approve virement of funds up to £20,000
- Approval for the appointment of additional staffing as required to deliver new courses, or as required by additional numbers of students
- Approval for changes to the staffing structure of the school below the level of the leadership group
- Approval of school pay policy
- To consider marketing and publicity
- To identify a subgroup to consider Health & Safety matters
- To consider and approve Performance Management issues
- To appoint a Pay Policy Committee to consider pay and progression matters for all staff
- To appoint an Audit Committee to receive reports of internal and external audits and report
- To appoint a Headteacher's Performance Review Advisor and Review Panel

The Pay Review Committee is responsible for achieving the aims of the Pay Policy in a fair and equitable manner. The committee meets at least once a year.

#### **f. Connected organisations, including related party relationships**

The Netherthorpe School Foundation owns the main school buildings and makes them available to the Academy Trust. It also has the power to appoint four foundation governors.

Netherthorpe works closely with other organisations and schools. There is a full programme of Science activities for local primary schools and they often attend for sporting events here. We have summer schools for our feeder schools and they take part in Musical events with our own students. The school is also part of the Chesterfield Learning Community and sends students to other schools and trainers, as well as the local College to broaden their curriculum experience. The Headteacher is on the Strategic Planning group for this organisation.

#### **g Risk management**

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. This has resulted in a risk register which is fully updated every September and monitored on a regular basis during the year. Higher priority entries are reviewed at every finance meeting.

The Governors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (eg. In relation to teaching, health and safety, bullying, safeguarding and school trips) and in relation to the control of finance and insurance cover. They have introduced systems, including operational procedures (eg. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk.

## **NETHERTHORPE SCHOOL**

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

**FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls, documented fully in its Financial Procedures Manual.

### **Objectives and Activities**

#### **a Objects and aims**

The Academy Trust's object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ('the Academy')

We aim to be -

#### **An outstanding school**

- 1 where every student achieves the very best that they are capable of
- 2 where every student is challenged, developed and given extraordinary opportunities where achievement is celebrated and every student feels valued and important
- 3 where every member of the school (staff or student) is valued, supported and developed, where there is a sense of loyalty and community, a desire to give of one's best and to continue to improve – Team Netherthorpe
- 4 where leadership and initiative are encouraged at all levels amongst both the staff and students and where risk taking in order to secure improvement, is fully supported
- 5 that is always moving forwards, actively seeking out the best ideas and adapting them for our purposes
- 6 with consistently high expectations
- 7 where lessons are interesting, challenging, varied and engaging, and staff/student relations are recognisably good – in short, a school where there is a good 'Climate for Learning' and Teaching and Learning is constantly improving
- 8 that is acknowledged within the community, across the County and beyond for its excellence – a school with a high profile
- 9 where there are effective systems (consistently applied), that are clear, open, fair and support both staff and students
- 10 that engages the parents/guardians in the development of their child and actively looks for their support, welcoming their contributions
- 11 that provides a learning environment that inspires students, staff and the wider community

Our motto is Learn, Enjoy, Succeed and we apply this to all we do

#### **b Objectives, strategies and activities**

##### **Specific Objectives**

- 1 To raise examination performance so that our students are making progress in line with outstanding schools across the country
    - a At KS4 to achieve over 70% of students gaining 5 or more higher grade passes inc English and Maths
    - b To ensure that more students are making expected progress or better in English and Maths than is the case nationally
    - c To have a value added figure on or above 1005 in all EBACC subjects and for the whole school
    - d To reduce the gap between Pupil Premium (PP) children and non-PP children
  - 2 To increase levels of literacy so that this is no longer a barrier to success, but helps students to achieve all that they are capable of
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## **NETHERTHORPE SCHOOL**

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

**FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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- a To halve the number of students who are 1,2,3,4+ years behind their chronological age with their reading by the end of their first year with us
- b To improve standards of writing across the school, particularly focussing on the boys
  
- 3 To ensure the continued success of the Sixth Form in light of increased local competition
  - a To ensure that students are surpassing ALIS targets in all subject areas
  - b To market the Sixth form well and ensure travel links are not a barrier to joining our Sixth form
  - c To actively promote leadership and activities that will prepare them for the 'next step' and achieving their goals
  
- 4 To improve standards of behaviour and levels of attendance to outstanding levels, from the very good levels currently experienced
  - a To improve attendance to outstanding levels of 95 5% or above
  - b To maintain the high standards of behaviour whilst reducing the number of exclusions
  
- 5 To improve teaching so that all teaching is at least 'Good' (to include marking and the setting of homework) and each year the number of outstanding lessons delivered increases
  - a To improve consistency in marking and the setting of homework
  - b To provide regular opportunities for sharing good practice
  - c To provide support for teachers whose practice falls below expectation
  - d To implement rigorous Quality Assurance so that we are clear about where the problems exist and target support

A key consideration in fulfilling these objectives is ensuring that funding is directed to where it will have most impact

#### **c. Strategies to achieve objectives**

The school has the following strategies to achieve these objectives

- 1
  - a Restructure SLT – Deputy Head now focussed on intervention and standards KS4  
Assistant Head leading on Literacy KS3
  - b New appointment focussed on performance of Pupil Premium students
  - c All departments have tracking system and we have regular data collections
  - d Focus heavily on performance in English – a weakness
  - e Sizeable budget allocated to this
  
- 2
  - a Assistant Head re-directed to lead on Literacy KS3
  - b New post created – Literacy coordinator
  - c Software purchased to allow measuring of reading age to track improvements
  
- 3
  - a Assistant Headteacher re-directed to this area
  - b Attending post-16 evenings in all local 11-16 schools
  - c Allocate further funding to subsidise bus routes
  - d Regular data collections and mentoring of students who are below target
  - e Students put on contract when effort level falls
  - f New website and prospectus developed
  
- 4
  - a appointment of a Pastoral Manager
  - b Appointment of P/T attendance officer  
(already seen dramatic reduction in persistent absenteeism)
  - c Introduction of inclusion room and internal exclusions
  
- 5
  - a Introduction of Learning walks in addition to formal observations

## **NETHERTHORPE SCHOOL**

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

**FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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- b Introduction of a rigorous QA system – work scrutiny, results analysis etc
- c Introduction of a QA database that logs QA outcomes
- d Introduction of Performance Related Pay
- e Staff Development Meetings devoted to sharing good practice

There is the intention to develop the role of the Governing Body to have a more central role in setting strategic direction and targets for the school

#### **d. Public benefit**

The Governors have complied with their duty to manage and develop a school offering a broad and balanced curriculum for the benefit of the public

### ***Achievements and performance***

#### **a. Review of activities**

The school specialises in Science and Mathematics and outcomes in these areas are good. In English, progress is not as strong and is a focus for improvement.

Attainment in the school is significantly above National averages (65% gaining 5+A\*-C including English and Maths – 70% of students gained a higher grade pass in English, 77% in Maths.)

Value Added Progress Measures indicate that the school has considerable improvements still to make. Maths remains strong but improvement is needed in English. Improving our performance against these Value Added Measures remains our top priority.

Post-16 outcomes are good and we have a thriving Sixth form with an extraordinary range of opportunities for our students – this has to be maintained and improved on if we are to remain ahead of the competition.

The school experience in attending Netherthorpe is outstanding with a wide range of educational trips, extra-curricular opportunities and opportunities for students to lead. Students have a voice through the school Parliament and Council and every Form has representation.

The gap between those vulnerable (PP) students and those who are not, is beginning to close but further work in this area is needed.

The ethos, behaviour and relationships that exist within the school are outstanding and visitors and inspectors comment on this regularly. Our challenge is to maintain and improve this further whilst reducing the number of external exclusions.

#### **Examination Results 2013**

Key indicator – Higher grade passes

- 65% gained 5 or more higher grade passes including in English and Maths (National Av 60%)
- 77% of students in Maths gained higher grade passes (National Av 70%)
- 77% of students in Science gained higher grade passes (National Av 72%)
- 69% of students in English gained higher grade passes (National Av 67%)

Key indicator - Average points (capped) gives an indication of performance across all grades and subjects  
School 291.1 (National Av 277.2)

Key Indicator - Percentage achieving 5 or more pass grades (A\*-G)

## **NETHERTHORPE SCHOOL**

GOVERNORS' REPORT (continued)  
FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013

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School 99% (National Average 95%)

A level            The ALIS analysis of results shows that the school is on the 38th percentile nationally  
Average points per entry = 208 (204.4 excluding vocational level 3) – the school's second highest score ever

### **Financial review**

#### **a Financial review**

On 1 March 2012 certain property and equipment was transferred by Derbyshire County Council (DCC) to the Academy Trust and they are now included in its balance sheet at valuations which are shown in note 17 to the accounts

Funds of £666,140 were also transferred by DCC to the Academy on conversion

In this financial year the academy has received the majority of its income from the EFA in the form of recurrent grants. The grants received from the EFA during the period ended 31 August 2013 and the associated expenditure are shown in the statement of financial activities

#### **b Financial and risk management objectives and policies**

As noted previously the academy has a Risk Management Policy from which a Risk Register is drafted. The financial risks for the academy are described below

#### **c Going concern**

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

#### **d Principal risks and uncertainties**

The governors of the academy are aware of the risks that the academy faces in the short, medium and long term, the principal risks and uncertainties have been identified following the risk management process

Principal risks and uncertainties (other than pension deficit) are -

- Pupil numbers
- Uncertainty over timeline for ending of public sector pay freeze
- New national funding agreement
- Single Status
- Public sector pensions
- Success of capital building projects

#### **e Reserves policy**

The Academy holds total unrestricted reserves in the order of £277,882. They are held in order to provide a cushion for buildings maintenance, to cover increases in staffing costs (e.g. conversion to single status) and protect us against falling roles. Some of our buildings are several hundred years old

## **NETHERTHORPE SCHOOL**

GOVERNORS' REPORT (continued)  
FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013

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### **f Investment policy**

Investments must be made only when approved by the Governing Body

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

Periodically (at least annually) review interest rates and compare with other investment opportunities. A working balance of £250,000 to £500,000 should be maintained in the main academy's current account.

The academy's current position is to only invest funds in risk free and easily accessible deposit accounts. Funds can be invested up to 12 months if appropriate. Investing cash over more than a year had to be approved by the Governing Body and referenced with detailed cash flow workings.

### **Plans for the future**

#### **a Future objectives**

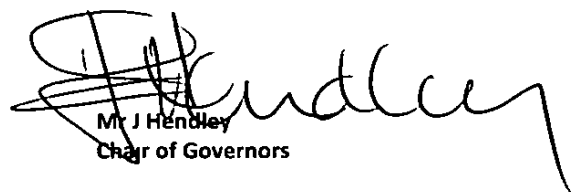
- 1 To raise examination performance so that our students are making progress in line with outstanding schools across the country
- 2 To increase levels of literacy so that this is no longer a barrier to success, but helps students to achieve all that they are capable of
- 3 To ensure the continued success of the Sixth Form in light of increased local competition
- 4 To improve standards of behaviour and levels of attendance to outstanding levels, from the very good levels currently experienced
- 5 To improve teaching so that all teaching is at least 'Good' (to include marking and the setting of homework) and each year the number of outstanding lessons delivered increases

#### **Disclosure of information to auditors**

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

This report was approved by order of the governing body on 12 December 2013 and signed on its behalf by



Mr J Hendley  
Chair of Governors

## **NETHERTHORPE SCHOOL**

### **GOVERNANCE STATEMENT**

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#### ***Scope of Responsibility***

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

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

#### ***Governance***

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The governing body has formally met 7 times during the 18 month period. Attendance during the 18 month period at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mr K Bacon	6	7
Mr R Brennan	5	7
Mr P Brown	3	7
Revd W A Butt	2	7
Miss L Collins	5	7
Mr I Else	6	7
Mrs A Green	3	5
Mr D Henderson	3	3
Mr J Hendley, Chairman	6	7
Mr N Hiller	6	7
Revd S F Jones	1	1
Mr J Morehen	3	7
Dr T Poole	6	7
Mr S Poole	6	7
Mr S Riley	5	7
Mr A C Senior, Head Teacher and Accounting Officer	6	7
Miss K West	4	5
Mr J Woodhead Windle	5	7
Miss C Wood	6	7
Miss D Newton	0	7
Mr F Smith	3	3
Mr K Taylor-Nobbs	5	6

The Finance Committee is a sub-committee of the main governing body. Its purpose is to consider finance, personnel, health & safety and premises matters. A list of its delegated powers can be found in the Governors' Report.

Attendance at meetings during the 18 month period was as follows:

Governor	Meetings attended	Out of a possible
Revd W A Butt	7	8
Mr I Else	8	8
Mrs A Green	4	8

## NETHERTHORPE SCHOOL

### GOVERNANCE STATEMENT (continued)

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Mr N Hiller	8	8
Mr S Poole	8	8
Mr S Riley	7	8
Mr A C Senior, Head Teacher	7	8
Mr J Woodhead Windle	6	8
Mr K Bacon	8	8
Mr J Hendley, Chairman	7	8
Mr P Brown	7	8

The Audit Committee is also a sub-committee of the main governing body. Its purpose is to review the reports of internal and external auditors.

Attendance at meetings during the 18 month period was as follows

Governor	Meetings attended	Out of a possible
Mr N Hiller	1	2
Mr S Riley	1	2
Miss C Wood	2	2
Mr D Henderson	1	1
Mr A C Senior, Head Teacher	2	2

#### ***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 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 Netherthorpe School for the 18 month period 1 March 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

#### ***Capacity to Handle Risk***

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the 18 month period 1 March 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

#### ***The Risk and Control Framework***

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines

## NETHERTHORPE SCHOOL

### GOVERNANCE STATEMENT (continued)

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- 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 to appoint Barber Harrison and Platt as internal auditor

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the internal auditor reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

The appointee has delivered their schedule of work as planned. No material control issues arose as a result of the appointee's work.

#### *Review of Effectiveness*

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the 18 month period in question the review has been informed by

- the work of the internal auditor,
- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy 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 Committee and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 12 December 2013 and signed on their behalf, by



Mr J Hendley  
Chair of Governors



Mr A C Senior  
Accounting Officer

## **NETHERTHORPE SCHOOL**

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

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As Accounting Officer of Netherthorpe School I have considered my responsibility to notify the academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

I confirm that I and the academy governing body are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012)

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



**Mr A C Senior**  
**Accounting Officer**

Date 12 December 2013



## NETHERTHORPE SCHOOL

### GOVERNORS' RESPONSIBILITIES STATEMENT FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013

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The Governors (who act as governors of Netherthorpe School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts 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

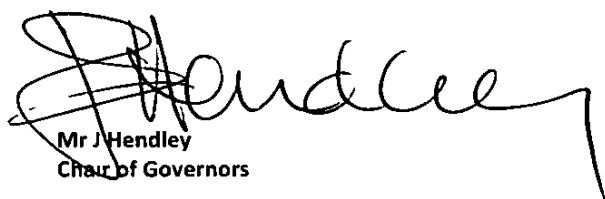
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the governing body on 12 December 2013 and signed on its behalf by



Mr J Hendley  
Chair of Governors

## **NETHERTHORPE SCHOOL**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NETHERTHORPE SCHOOL**

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We have audited the financial statements of Netherthorpe School for the 18 month period ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

#### **Respective responsibilities of Governors and auditors**

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

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the 18 month 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 Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

In our opinion the information given in the Governors' Report for the financial 18 month period for which the financial statements are prepared is consistent with the financial statements.

**NETHERTHORPE SCHOOL**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NETHERTHORPE SCHOOL**

---

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Philip Allsop (Senior Statutory Auditor)

for and on behalf of

**Barber Harrison & Platt**

Chartered Accountants  
Statutory Auditors

57-59 Saltergate  
Chesterfield

S40 1UL

Date 18 December 2013

## **NETHERTHORPE SCHOOL**

### **INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO NETHERTHORPE SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 17 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Netherthorpe School during the 18 month period 1 March 2012 to 31 August 2013 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 Netherthorpe School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Netherthorpe School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Netherthorpe School and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Netherthorpe School's accounting officer and the reporting auditors**

The accounting officer is responsible, under the requirements of Netherthorpe School's funding agreement with the Secretary of State for Education dated 28 February 2012, and the Academies Financial Handbook extant from 2006, 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 2013. 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 18 month period 1 March 2012 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately,
- Review of the academy's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues,
- Ensure that EFA approval has been obtained for relevant transactions,
- Discussions with Governors, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

**NETHERTHORPE SCHOOL**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO NETHERTHORPE SCHOOL AND THE  
EDUCATION FUNDING AGENCY (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 18 month period 1 March 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Philip Allsop (Senior Statutory Auditor)

for and on behalf of

**Barber Harrison & Platt**

Chartered Accountants  
Statutory Auditors

57-59 Saltergate  
Chesterfield  
S40 1UL

Date 18 December 2013

# **NETHERTHORPE SCHOOL**

## **STATEMENT OF FINANCIAL ACTIVITIES**

*(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)*  
**FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Transfers from local authority on conversion	2	666,140	-	2,243,741	2,909,881
Other voluntary income	2	17,213	35,549	45,451	98,213
Activities for generating funds	3	81,928	283,143	-	365,071
Investment income	4	2,147	-	-	2,147
Incoming resources from charitable activities	5	-	8,125,093	-	8,125,093
<b>Total incoming resources</b>		<b>767,428</b>	<b>8,443,785</b>	<b>2,289,192</b>	<b>11,500,405</b>
<b>Resources expended</b>					
Charitable activities		70,713	8,350,911	259,251	8,680,875
Governance costs	9	-	27,048	-	27,048
Contribution to property development	10	404,000	-	-	404,000
<b>Total resources expended</b>	6	<b>474,713</b>	<b>8,377,959</b>	<b>259,251</b>	<b>9,111,923</b>
<b>Net incoming resources before transfers</b>		<b>292,715</b>	<b>65,826</b>	<b>2,029,941</b>	<b>2,388,482</b>
Transfers between Funds	20	(14,833)	(52,808)	67,641	-
<b>Net income for the period</b>		<b>277,882</b>	<b>13,018</b>	<b>2,097,582</b>	<b>2,388,482</b>
Actuarial gains and losses on defined benefit pension schemes and liability inherited on conversion		-	(809,000)	-	(809,000)
<b>Net movement in funds for the period</b>		<b>277,882</b>	<b>(795,982)</b>	<b>2,097,582</b>	<b>1,579,482</b>
Total funds at 1 March 2012		-	-	-	-
<b>Total funds at 31 August 2013</b>		<b>277,882</b>	<b>(795,982)</b>	<b>2,097,582</b>	<b>1,579,482</b>

All of the academy's activities derive from continuing operations in the current financial 18 month period

The Statement of Financial Activities includes all gains and losses recognised in the 18 month period

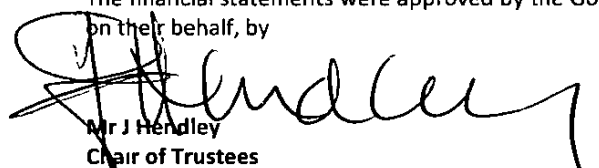
The notes on pages 23 to 43 form part of these financial statements

**NETHERTHORPE SCHOOL**  
REGISTERED NUMBER 7935515

**BALANCE SHEET**  
**AS AT 31 AUGUST 2013**

	Note	£	2013 £
<b>Fixed assets</b>			
Tangible assets	17		2,052,997
<b>Current assets</b>			
Debtors	18	280,121	
Cash at bank and in hand		1,156,517	
		<u>1,436,638</u>	
<b>Creditors</b> amounts falling due within one year	19	<u>(1,043,153)</u>	
<b>Net current assets</b>			<u>393,485</u>
<b>Total assets less current liabilities</b>			<u>2,446,482</u>
Defined benefit pension scheme liability	25		<u>(867,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>1,579,482</u></u>
<b>Funds of the academy</b>			
Restricted funds			
Restricted funds	20	71,018	
Restricted fixed asset funds	20	2,097,582	
		<u>2,168,600</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(867,000)</u>	
Total restricted funds			<u>1,301,600</u>
Unrestricted funds	20		<u>277,882</u>
<b>Total funds</b>			<u><u>1,579,482</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 12 December 2013 and are signed on their behalf, by

  
Mr J Hendley  
Chair of Trustees

The notes on pages 23 to 43 form part of these financial statements

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**NETHERTHORPE SCHOOL****CASH FLOW STATEMENT****FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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	Note	Period ended 31 August 2013 £
Net cash flow from operating activities	22	1,891,166
Capital expenditure and financial investment		(472,509)
Cash transferred on conversion to an academy trust	24	(262,140)
<b>Increase in cash in the period</b>		<b>1,156,517</b>

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

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS****FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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	Period ended 31 August 2013 £
Increase in cash in the period	1,156,517
	-
<b>Movement in net funds in the period</b>	<b>1,156,517</b>
<b>Net funds at 31 August 2013</b>	<b>1,156,517</b>

The notes on pages 23 to 43 form part of these financial statements



## NETHERTHORPE SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013

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#### **1 Accounting Policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

##### **1.2 Fund accounting**

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

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

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

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

**1 Accounting Policies (continued)**

**1.3 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy 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 and it is measurable.

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

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

**1.4 Resources expended**

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

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

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

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

**1 Accounting Policies (continued)**

**1.5 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 academy 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.

**1.6 Tangible fixed assets and depreciation**

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

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

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 carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant and machinery	-	10-20% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	10-20% straight line

**1.7 Taxation**

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

**1 Accounting Policies (continued)**

**1.8 Pensions**

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**1.9 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 Netherthorpe 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 Netherthorpe School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

**NETHERTHORPE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

**2 Voluntary income**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Transfers from local authority on conversion	666,140	2,243,741	2,909,881
Donations	870	-	870
Grants	16,343	36,415	52,758
Government grants	-	44,585	44,585
Subtotal	17,213	81,000	98,213
Voluntary income	683,353	2,324,741	3,008,094

**3. Activities for generating funds**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Lettings	9,861	-	9,861
Other	72,067	283,143	355,210
	81,928	283,143	365,071

**4 Investment income**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Investment income	2,147	-	2,147

**5 Incoming resources from charitable activities**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Education	-	8,125,093	8,125,093

**NETHERTHORPE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

**Funding for Academy's educational operations**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
<b>DfE/EFA grants</b>			
General Annual Grant	-	7,648,219	7,648,219
	-	7,648,219	7,648,219
<b>Other government grants</b>			
Other DfE/EFA grants	-	224,002	224,002
	-	224,002	224,002
<b>Other funding</b>			
Special Educational Needs	-	252,872	252,872
	-	252,872	252,872
	-	8,125,093	8,125,093

**6 Analysis of resources expended by expenditure type**

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £
Contribution to property development	-	-	404,000	404,000
<i>Contribution to property development</i>	-	-	404,000	404,000
Direct costs	5,711,561	-	1,170,424	6,881,985
Support costs	808,291	491,726	498,873	1,798,890
<i>Charitable activities</i>	6,519,852	491,726	1,669,297	8,680,875
<i>Governance</i>	14,218	-	12,830	27,048
	6,534,070	491,726	2,086,127	9,111,923

# **NETHERTHORPE SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

### **7 Direct costs**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Wages and salaries	40,041	4,644,121	4,684,162
National insurance	-	364,821	364,821
Pension cost	-	662,578	662,578
Staff development	-	25,019	25,019
Educational supplies	6,492	592,023	598,515
Examination fees	23,148	206,032	229,180
Technology costs	-	270,310	270,310
Pension finance costs (note 15)	-	41,000	41,000
Other costs	-	6,400	6,400
<b>Total</b>	<b>69,681</b>	<b>6,812,304</b>	<b>6,881,985</b>

### **8 Support costs**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Wages and salaries	-	722,111	722,111
National insurance	-	30,097	30,097
Pension cost	-	56,083	56,083
Recruitment and other staff costs	-	36,542	36,542
Maintenance of premises and equipment	1,032	92,924	93,956
Cleaning	-	19,635	19,635
Rent and rates	-	23,236	23,236
Heat and light	-	167,351	167,351
Insurance	-	57,501	57,501
Security and transport	-	17,522	17,522
Catering	-	114,886	114,886
Other support costs	-	200,717	200,717
Depreciation	-	259,253	259,253
<b>Total</b>	<b>1,032</b>	<b>1,797,858</b>	<b>1,798,890</b>

**NETHERTHORPE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

**9 Governance costs**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Internal audit costs	-	2,000	2,000
Auditors' remuneration	-	6,500	6,500
Auditors' non audit costs	-	4,040	4,040
Governor services	-	290	290
Governance expense - wages and salaries	-	14,218	14,218
	<u>-</u>	<u>27,048</u>	<u>27,048</u>

**10 Contribution to property development**

The School contributed £404,000 to property development out of school funds

**11 Analysis of resources expended by activities**

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Education	<u>6,881,985</u>	<u>1,798,890</u>	<u>8,680,875</u>

**12 Net incoming resources**

This is stated after charging

	Period ended 31 August 2013 £
Depreciation of tangible fixed assets - owned by the charity	259,253
Auditors' remuneration	6,500
Internal audit costs	<u>2,000</u>



**NETHERTHORPE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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**13 Staff costs**

Staff costs were as follows

	Period ended 31 August 2013 £
Wages and salaries	5,420,491
Social security costs	394,918
Other pension costs (Note 25)	718,661
	<hr/>
	6,534,070
	<hr/>

The average number of persons (including the senior management team) employed by the academy during the 18 month period expressed as full time equivalents was as follows

	Period ended 31 August 2013 No
Teachers	70
Admin	14
Management	8
	<hr/>
	92
	<hr/>

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

	Period ended 31 August 2013 No.
In the band £ 80,001 - £ 90,000	1
	<hr/>

The above employee participated in the Teachers Pension Scheme. During the period ended 31 August 2013, pension contributions for this employee amounted to £17,539

## NETHERTHORPE SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013

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#### 14 Governors' remuneration and expenses

During the period retirement benefits were accruing to 5 Governors in respect of defined benefit pension schemes

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of staff Governors' remuneration during the 18 month period, including pension contributions, fell within the following bands: Mr A C Senior £140,000-£145,000, Mr R Brennan £75,000-£80,000, Mrs A Green £65,000-£70,000, Miss K West £25,000-£30,000, Miss D Newton £25,000-£30,000

During the period, no Governors received any benefits in kind, expenses of £355 were paid in relation to attendance at an Academy conference by the Chair

#### 15. Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the 18 month period ended 31 August 2013 was £1,806

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

#### 16 Other finance expense

	Period ended 31 August 2013 £
Expected return on pension scheme assets	47,000
Interest on pension scheme liabilities	(88,000)
	<hr/> (41,000) <hr/>

**NETHERTHORPE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

**17 Tangible fixed assets**

	Land £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 March 2012	-	-	-	-	-
Transfer on conversion	720,000	270,819	651,601	601,321	2,243,741
Additions	-	57,179	11,330	-	68,509
At 31 August 2013	720,000	327,998	662,931	601,321	2,312,250
<b>Depreciation</b>					
At 1 March 2012	-	-	-	-	-
Charge for the 18 month period	-	52,735	67,487	139,031	259,253
At 31 August 2013	-	52,735	67,487	139,031	259,253
<b>Net book value</b>					
At 31 August 2013	720,000	275,263	595,444	462,290	2,052,997

**Freehold land**

On conversion to Academy status, Rotherham MBC's Land and Property Team were appointed to carry out a valuation of the land transferred to the Academy. The valuation was carried out on 1 April 2013.

**Inherited assets other than land and buildings**

Fixtures and fittings, plant and machinery and computer equipment inherited on conversion have been shown at their assessed fair value.

**18 Debtors**

	2013 £
Trade debtors	29,210
Other debtors	45,605
Prepayments and accrued income	205,306
	<b>280,121</b>

**NETHERTHORPE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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**19 Creditors**

**Amounts falling due within one year**

	<b>2013</b>
	<b>£</b>
Trade creditors	<b>276,144</b>
Other taxation and social security	<b>79,726</b>
Accruals and deferred income	<b>687,283</b>

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	<b>1,043,153</b>
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**£**

***Deferred income***

Resources deferred during the year	<b>117,145</b>
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At the balance sheet date the academy was holding grants in advance which relate to 2013/2014

# **NETHERTHORPE SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

### **20. Statement of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General funds	-	767,428	(474,713)	(14,833)	-	277,882
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	7,648,218	(7,519,122)	(67,641)	-	61,455
Special needs funding	-	252,872	(252,872)	-	-	-
Pupil premium	-	224,002	(224,002)	-	-	-
Extended services	-	46,795	(46,795)	-	-	-
Trips	-	236,348	(251,181)	14,833	-	-
Sixth form bursaries	-	35,550	(25,987)	-	-	9,563
Pension reserve	-	-	(58,000)	-	(809,000)	(867,000)
	-	8,443,785	(8,377,959)	(52,808)	(809,000)	(795,982)
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	-	2,243,741	(259,078)	-	-	1,984,663
Fixed assets purchased from GAG and other restricted funds	-	45,451	(173)	67,641	-	112,919
	-	2,289,192	(259,251)	67,641	-	2,097,582
Total restricted funds	-	10,732,977	(8,637,210)	14,833	(809,000)	1,301,600
Total of funds	-	11,500,405	(9,111,923)	-	(809,000)	1,579,482

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

**General Annual Grant (GAG):** The GAG income must be used for the normal running costs of the Academy

**Special needs funding:** Funding received from the Local Authority for those students who have more than 9 hours of statement of special need and used to pay for Teaching Assistants to fulfil this increased support

**Pupil Premium** DfE funding to address the current underlying inequalities between children eligible for free school meals (FSM) and their wealthier peers by ensuring that funding to tackle the disadvantage reaches the pupils who need it most

# **NETHERTHORPE SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

### **20 Statement of funds (continued)**

**Extended services** Funding used to offer students out of school opportunities and create closer relationships between the school and it's local feeder schools

**Trips.** Funds from parents/carers for school trips

**Sixth form bursaries** Funds from EFA to provide assistance to 16-18 year old students whose access to, or completion of, education is inhibited by financial constraints or barriers

**Pension reserve** The deficit on the Local Government Pension Scheme has been recognised against restricted funds in order to match it against GAG as recommended by the EFA Accounts Direction

**Restricted fixed asset funds** Restricted funds set aside for capital items

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

#### **Summary of funds**

	Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
General funds	-	767,428	(474,713)	(14,833)	-	277,882
Restricted funds	-	8,443,785	(8,377,959)	(52,808)	(809,000)	(795,982)
Restricted fixed asset funds	-	2,289,192	(259,251)	67,641	-	2,097,582
	-	11,500,405	(9,111,923)	-	(809,000)	1,579,482

### **21 Analysis of net assets between funds**

	Unrestricted funds 2013	Restricted funds 2013	Restricted fixed asset funds 2013	Total funds 2013
	£	£	£	£
Tangible fixed assets	-	-	2,052,997	2,052,997
Current assets	277,882	1,114,171	44,585	1,436,638
Creditors due within one year	-	(1,043,153)	-	(1,043,153)
Provisions for liabilities and charges	-	(867,000)	-	(867,000)
	277,882	(795,982)	2,097,582	1,579,482

# **NETHERTHORPE SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

### **22 Net cash flow from operations**

			Period ended 31 August 2013 Total £
	Continuing £	Discontinued £	£
Net incoming resources before revaluations	2,388,482	-	2,388,482
Fixed assets donated on conversion	(2,243,741)	-	(2,243,741)
Cash transferred on conversion to an academy	666,140	-	666,140
Depreciation of tangible fixed assets	259,253	-	259,253
Increase in debtors	(280,121)	-	(280,121)
Increase in creditors	1,043,153	-	1,043,153
FRS 17 adjustments	58,000	-	58,000
<b>Net cash inflow from operations</b>			<b>1,891,166</b>
			Period ended 31 August 2013 £
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets			(68,509)
Contribution to property development			(404,000)
<b>Net cash outflow capital expenditure</b>			<b>(472,509)</b>

### **23 Analysis of changes in net funds**

	1 March 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	-	1,156,517	-	1,156,517
<b>Net funds</b>	-	1,156,517	-	1,156,517

### **24. Conversion to an academy trust**

On 1 March 2012 Netherthorpe School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Netherthorpe School from Derbyshire County Council for ENIL 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.

## NETHERTHORPE SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013

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 funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	720,000	720,000
- Other tangible fixed assets	-	-	1,523,741	1,523,741
Other assets	666,140	-	-	666,140
Net assets/(liabilities)	666,140	-	2,243,741	2,909,881

The above net assets include £666,140 that were transferred as cash



## NETHERTHORPE SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013

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#### 25 Pension commitments

The academy's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Derbyshire County 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 related to the period ended 31 March 2004 and of the LGPS 31 August 2013

There were no outstanding or prepaid contributions at either the beginning or the end of the financial 18 month period

#### *Teachers' Pension Scheme*

##### *Introduction*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

##### *The Teachers' Pension Budgeting and Valuation Account*

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers 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, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

##### *Valuation of the Teachers' Pension Scheme*

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004 The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings

## NETHERTHORPE SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013

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#### 25. Pension commitments (continued)

growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

#### *Teachers' Pension Scheme Changes*

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

#### *Local Government Pension Scheme*

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the 18 month period ended 31 August 2013 was £184,000, of which employer's contributions totalled £138,000 and employees' contributions totalled £46,000. The agreed contribution rates for future years are 12.2% for employers and between 5.5% and 6.8% for employees.

## NETHERTHORPE SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013

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#### 25 Pension commitments (continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

As described in note 24 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the 18 month period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The amounts recognised in the Balance Sheet are as follows

	Period ended 31 August 2013 £
Present value of funded obligations	(1,628,000)
Fair value of scheme assets	761,000
Net liability	<u>(867,000)</u>

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

	Period ended 31 August 2013 £
Current service cost	(155,000)
Interest on obligation	(88,000)
Expected return on scheme assets	47,000
Net liability transferred on conversion	<u>(598,000)</u>
Total	<u>(794,000)</u>
Actual return on scheme assets	<u>86,000</u>

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**NETHERTHORPE SCHOOL****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013**

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**25 Pension commitments (continued)**

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

	Period ended 31 August 2013 £
Current service cost	155,000
Interest cost	88,000
Contributions by scheme participants	46,000
Actuarial Losses	251,000
Liabilities assumed in a business combination	1,088,000
	<hr/>
Closing defined benefit obligation	1,628,000
	<hr/>

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

	Period ended 31 August 2013 £
Expected return on assets	47,000
Actuarial gains and (losses)	40,000
Contributions by employer	138,000
Contributions by employees	46,000
Assets acquired in a business combination	490,000
	<hr/>
	761,000
	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £211,000

The academy expects to contribute £103,000 to its Defined Benefit Pension Scheme in 2014

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

	2013
European equities	69.00 %
European bonds	18.00 %
Property	5.00 %
Cash	8.00 %

## NETHERTHORPE SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 18 MONTH PERIOD ENDED 31 AUGUST 2013

#### 25. Pension commitments (continued)

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.70 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

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

	2013
Retiring today	
Males	22.1
Females	24.7
Retiring in 20 years	
Males	23.9
Females	26.7

Amounts for the current period are as follows

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(1,628,000)
Scheme assets	761,000
Deficit	(867,000)
Experience adjustments on scheme liabilities	(251,000)
Experience adjustments on scheme assets	40,000

#### 26 Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor has 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.

The school's main buildings are owned by the Netherthorpe School Foundation and made available to the Academy Trust without charge.