

Registration number 08023322

Gartree High School

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 10 April 2012 to 31 August 2013

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COMPANIES HOUSE

HW Leicester LLP
Chartered Accountants and Senior Statutory Auditor
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Gartree High School

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Gartree High School

Reference and Administrative Details

Trustees (Directors) Ms S L Singleton, Head Teacher (appointed 10 April 2012)

Governors and Trustees (Directors) Mrs D Parmar, Chair (appointed 10 April 2012)
Mr P E Bannister (appointed 10 April 2012)
Dr D B Candlin (appointed 30 April 2012)
Mr P Pancholi (appointed 10 April 2012)
Mr M Chhatrisha (appointed 10 April 2012)
Ms S I Furlong (appointed 10 April 2012)
Mrs B Odedra (appointed 10 April 2012)
Mrs H Patel (appointed 30 April 2012)
Mrs A L Patrick (appointed 10 April 2012)
Mr A Peryer (appointed 10 April 2012)
Mr Philip Storey (appointed 10 April 2012)

Company Secretary Mrs E J Delday

Senior Leadership Team Ms S L Singleton, Head Teacher
Mr P E Bannister, Deputy Head
Mr B Rackley, Deputy Head
Ms C Bradshaw, Assistant Head
Mr D Allard, Assistant Head
Mrs E J Delday, Business Manager

Principal and Registered Office Ridge Way
Oadby
Leicester
Leicestershire
LE2 5TQ

Company Registration Number 08023322

Auditors HW Leicester LLP
Chartered Accountants and Senior Statutory Auditor
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Bankers Lloyds Bank Plc
7 High Street
Leicester
Leicestershire
LE1 9FS

Gartree High School

Reference and Administrative Details

Solicitors

Legal Services
Leicestershire County Council
County Hall
Glenfield
Leicester
LE3 8RB

Gartree High School

Trustees' Report for the period from 10 April 2012 to 31 August 2013

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2013

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 10 April 2012 and commenced operation as an academy on 1 June 2012.

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

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

Members' liability

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

Trustees' indemnities

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

Principal activities

The Academy's principal activity 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.

Gartree High School

Trustees' Report for the period from 10 April 2012 to 31 August 2013

Method of recruitment and appointment or election of Trustees

Any new governors will be appointed in accordance with the guidelines set out in the Funding Agreement. Parent Governors shall be elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected. The Governing Body shall make all necessary arrangements for an election of Parent Governors. The Members of the Academy Trust shall comprise

- the signatories to the Memorandum,
- 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose,
- the chairman of the Governors, and
- any additional person agreed unanimously in writing by the members

Governors

As detailed in the Memorandum and Articles, the academy trust should have the following Governors

- 2 Staff Governors
- A minimum of 2 and up to 4 Parent Governors
- Up to 4 Community Governors
- The Head Teacher

The Members may appoint up to 1 Governor save that no more than one third of the total number of individuals appointed as Governors shall be employees of the Academy Trust (including the Head Teacher). The Head Teacher shall be treated for all purposes as being an ex officio Governor. The Parent Governors shall be elected by parents of registered pupils at the Academy.

Policies and procedures adopted for the induction and training of Trustees

There is a commitment by the Governors to ensure that new Governors are given the necessary information and support to fulfil their role with confidence. The process is seen as an investment, leading to more effective governance and retention of Governors. A Governors Induction Pack is made available for new Governors which provides a comprehensive guide to the school and its governance.

The "Link Governor" provides the initial induction, which includes a tour of the school to meet staff and students, establishing any training needs and initiating a link with a member of the Senior Leadership Team who in turn links the Governor with specific department heads.

Gartree High School

Trustees' Report for the period from 10 April 2012 to 31 August 2013

Organisational structure

Gartree High School has a simple and unified management structure to ensure efficiency. The structure consists of three levels: the Governors, the Senior Leadership Team and the Middle Leadership Team. The aim of the management structure is to devolve responsibility, encourage involvement in decision-making at all levels and maximise opportunities for succession planning.

The Governors fulfil a largely strategic role. They adopt a School Development Plan, approve the annual budget, monitor the school's performance and, on advice, make decisions about the strategic direction of Gartree High School, its capital expenditure and senior staff appointments.

The SLT consists of the Head Teacher, two Deputy Head Teachers, two Assistant Head Teachers and the Business Manager. These leaders control the academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. As a group, the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than those for which the Governing Body is responsible (having regard to the Head Teacher's advice).

The middle leadership consists of the Heads of Departments. As a group, the middle leaders have financial responsibility for their set budgets. The Head Teacher is the Accounting Officer.

Risk management

As governors, we acknowledge we have overall responsibility for the School's system of internal financial control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material mis-statement or loss.

The Governing Body has delegated day-to-day responsibility to the Head Teacher, as Accounting Officer, for maintaining a sound system of internal control that supports the achievements of the School's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between Gartree High School and the EFA. The Head Teacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Connected organisations, including related party relationships

The Academy is a member of the Oadby Learning Partnership for development and the Learning South Leicestershire Group, which looks at behaviour and other school issues.

As of December 2013, the Academy has no plans to join other academies as part of a multi-academy trust.

Gartree High School

Trustees' Report for the period from 10 April 2012 to 31 August 2013

Objectives and activities

Objects and aims

Gartree High School regards education as a lifelong process and aims to provide the highest quality education for all its students regardless of age, ability, gender or ethnic background. It expects high standards of achievement and behaviour in a positive, caring environment in which there exists a mutual respect between students, staff and parents. The academy regards its staff as its most important resource and is committed to their professional development to achieve its aims.

- To provide a broad and balanced curriculum in an atmosphere conducive to effective learning
- To develop teaching and learning styles which enable students to reach their full potential
- To provide a disciplined, caring and safe environment where students feel valued
- To encourage students to work co-operatively, respecting each other, adults and their environment
- To support students in developing the varied skills and attitudes which will equip them for the future, enabling them to make a positive contribution to the community and society
- To create an effective partnership with parents, governors and the wider community
- To establish professional working relationships and to facilitate the professional development of staff to achieve the academy aims
- To work within a framework of equal opportunities and to encourage an awareness and appreciation of cultural and religious diversity
- To provide effective and efficient administration and use of resources

Objectives, strategies and activities

The school's objectives are expressed in its mission statement – Aspiring to personal excellence in a supportive community. This is underpinned by the published aims of the school. The main objectives for 2012-13 are expressed within our annual development plan.

- Appendix A – School Improvement Plan
- Implementation of Academy status - we identified three key benefits to the change in status
 - Mechanism to facilitate strategic change locally – ‘Developing a 21st Century Learning Agenda’ for young people of Oadby aged 10-14, through the developing of local common goals and collaborative arrangements, in a backdrop of ‘new freedoms’
 - Maximisation of resources – Accessing full funding and ensuring best value services for our youngsters
 - New opportunities for relationships / partnerships – strengthening existing partnerships and developing joint commissioning services. Supporting our ‘Partner School’ and other local schools

Part of our prioritising our focus in the next three years will be specifically addressing the above areas.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the school's objectives and aims and in planning future activities for the year. The trustees consider that the school's aims are demonstrably to the public benefit.

Gartree High School

Trustees' Report for the period from 10 April 2012 to 31 August 2013

Achievements and performance

The period 1 June 2012 to 31 August 2013 was the school's first period of operation with academy status and Gartree High School continues to be a high achieving school and pupils' progress and attainment at the school are outstanding

The current Leicestershire system of secondary education in this area is one of high schools (10 to 14) and of upper schools (14 to 18) Students transfer to Gartree High School at age 10 from five main feeder primary schools At age 14 almost every student transfers to Beauchamp college

In June 2012 Ofsted judged Gartree High School to be a good school where "pupils' achievement is outstanding Pupils thrive academically and develop the skills and personal qualities that prepare them very well for the next stage of their education By the end of year 9 standards are significantly above the national figures "

Key Stage 2 results for Summer 2013

Measure	FFT_B prediction	Floor Target	2011	2012	Target 2013	2013 results
APS (R/Wr/M)			27.4	28.2		28
Maths level 4+	86		78	79	82	76
Maths level 5+	44		29	39	44	34
Maths 2LP	83	86	68	71	78	67
English & Maths L4+	81	60	72	76	81	71
English & Maths L5+	30		17	27	35	25
Reading level 4+	90		84	84	88	79
Reading level 5+	52		37	43	50	40
Reading 2LP	Replacing old English measure F/T 87%				82	70
Writing level 4+	81		79	85	86	90*
Writing level 5+	26		16	35	35	36*
Writing 2LP	Replacing old English measure F/T 87%				82	92
GPS 4+	New validated measure for 2013					72
GPS 5+						45

*Based on Teacher Assessment ~average of English sub-measures

Gartree High School

Trustees' Report for the period from 10 April 2012 to 31 August 2013

Key Stage 3 results for summer 2013

%	Yr 09 2013 TA Targets against attainment - KS3					
Subject	L5+ Target	L5+ Attained	L6+ Target	L6+ Attained	L7+ Target	L7+ Attained
English	95	97	65	74	20	27
Maths	93	96	80	77	50	43
Science	95	97	70	78	32	27
ICT	97	99	65	93	17	31
Art	98	98	70	75	20	18
Design / Tech	98	100	80	94	40	61
Geography	97	98	60	79	25	21
History	97	98	61	78	25	30
RE	96	98	60	68	20	20
MFL	96	92*	63	75*	34	34*
Music	98	99	60	87	10	15
PE	98	100	60	81	15	12

Gartree High School

Trustees' Report for the period from 10 April 2012 to 31 August 2013

Going concern

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

Key financial performance indicators

Gartree High School benchmarks income against curriculum and staffing needs. Key financial indicators are used to drive the type and appropriateness of the curriculum offered. Development planning activities are cross-referenced to relevant cost centres and success criteria monitor the efficiency and effectiveness with which resources are deployed. Different curriculum models are explored each year and decisions made, based on financial information available, cost effectiveness and likely student outcomes.

Financial review

The majority of the School's income is derived from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2013, total restricted expenditure of £4,216,698 was more than covered by recurrent grant funding from the EFA together with other incoming resources.

At 31 August 2013 the net book value of fixed assets was £15,482,426 and the movement in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The school's cash flow is strong due to the profile of its incoming resources. In particular, the receipt of core grant funding at the start of the financial year means that reserves are not required for working capital purposes.

The pension liability does not have an immediate cash flow impact. The cash flow impact will be the increased contributions as a result of the scheme deficit.

Principal risks and uncertainties

The Governors have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School, and its finances. The Governors have implemented a number of systems, including the Risk Register, to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. Operational procedures are in place (e.g. vetting of new staff and visitors, supervision of contractors, maintenance of premises) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The school has an effective system of internal financial controls, Finance And Infrastructure Committee incorporating Health & Safety – that monitors risks and uncertainty on an at least a termly basis.

Gartree High School

Trustees' Report for the period from 10 April 2012 to 31 August 2013

Financial and risk management objectives and policies

This is the first year of operation as an Academy for Gartree High School. As an Academy we have developed and adopted an appropriate system of internal control, including financial, operational and risk management which is designed to protect the School's assets and reputation.

A Risk Register is maintained at School level which is reviewed at least annually by the Finance Committee and more frequently where necessary. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the School and the actions being taken to reduce and mitigate the risks.

The principal risks that may affect the school are outlined below. Not all factors are within the school's control. Other factors besides those listed below may also adversely affect the School.

1 Government Funding

The School has considerable reliance on continued government funding through the EFA. The majority of the School's revenue was public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The risk is mitigated in a number of ways:

- by ensuring the school is rigorous in continuing to deliver high quality education
- to continue the development of Gartree High School and its neighbours

2 Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the School's balance sheet in line with requirements of FRS 17.

Reserves policy

The school is required to consider what level of reserves it is appropriate for the school to hold in order to demonstrate appropriate financial management, stewardship and sustainability. The governing body wish to do this to provide assurance to all school's stakeholders that the school is managed in a prudent manner for the best interests of its beneficiaries. The governing body also want to provide confidence that there is a strong justification for the reserves held by the school, and that they wish to be open and transparent on all aspects concerning the school's reserves policy. In doing this the school has considered the following areas:

The financial risks that are mitigated by the holding of reserves include variability of income, variability of expenditure and the risks identified as serious, major or critical that have financial significance.

No funds from reserves were used in this financial year to support the budget. It would be our intention to hold reserves at a similar level until the uncertainty of funding for future years is known.

Gartree High School

Trustees' Report for the period from 10 April 2012 to 31 August 2013

Investment policy

The purpose of the policy is to consider the management of the school's funds bearing in mind the responsibilities that come with the receipt of central government funding

The Governors have agreed to

- To regularly monitor Cash Flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments
- To identify funds surplus to immediate cash requirements and transfer the funds to the Gartree High School deposit account bearing a higher interest rate To this end an automatic transfer facility will be implemented
- To review periodically and at least annually interest rates and compare with other investment opportunities
- To review periodically and at least annually the academy's current policy to only invests funds in risk free and immediately accessible deposit accounts

Plans for future periods

There are no plans as yet to alter the age range of the academy, although proposed changes to school transport services may drive change in the future

The trustees are currently considering a building project to extend the school dining hall using section 106 funds held by the Local Authority

Finally, the trustees are examining the implications of expanding the planned admission numbers in line with parental choice and demand for places at Gartree High School

Gartree High School

Trustees' Report for the period from 10 April 2012 to 31 August 2013

Auditor

In so far as the Trustees are aware

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of HW Leicester LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

Approved by order of the Board of Trustees on 17 December 2013 and signed on its behalf by



Mrs D Parmar
Chair

Gartree High School

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Gartree High 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 Ms S L Singleton, 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 Gartree High 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 6 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mrs D Parmar	6	6
Mr P Pancholi	5	6
Ms S L Singleton	6	6
Mr A Peryer	3	6
Mr P E Bannister	6	6
Dr D B Candlin	3	6
Mrs H Patel	5	6
Mr Philip Storey	6	6
Mrs A L Patrick	4	6
Ms S I Furlong	5	6
Mrs B Odedra	3	6
Mr M Chhatrisha	4	6

Gartree High School

Governance Statement

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to guide and assist the Head Teacher and Governing Body in all matters concerning budgeting, finance, personnel and premises, including grounds, security and Health and Safety.

Attendance at meetings during the period was as follows:

Trustee	Meetings attended	Out of a possible
Ms S L Singleton	4	4
Mr P Pancholi	1	4
Mrs H Patel	4	4
Mr P E Bannister	4	4
Mr M Chhatrisha	2	4
Ms S I Furlong	3	4

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gartree High School for the period ended 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

Gartree High School

Governance Statement

The risk and control framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided

- to appoint Leicestershire County Council internal audit department as internal auditor

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Annually, the 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.

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

Review of effectiveness

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

- the work of the internal auditor,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Governing Body on 17 December 2013 and signed on its behalf by



Mrs D Parmar
Chair



Ms S L Singleton
Accounting Officer

Gartree High School

Statement on Regularity, Propriety and Compliance

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

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

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



Ms S L Singleton
Accounting Officer

Gartree High School

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to

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

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

Approved by order of the members of the Board of Trustees on 17 December 2013 and signed on its behalf by



Mrs D Parmar
Chair

Gartree High School

Independent Auditor's Report on the Financial Statements to the members of Gartree High School

We have audited the financial statements of Gartree High School for the period from 10 April 2012 to 31 August 2013, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 17), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

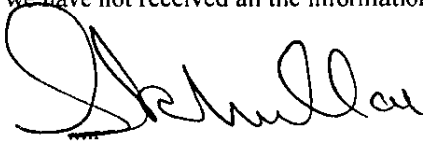
Gartree High School

Independent Auditor's Report on the Financial Statements to the members of Gartree High 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 trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



S K Khullar (Senior Statutory Auditor)
For and on behalf of HW Leicester LLP, Statutory Auditor

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

17 December 2013

Gartree High School

Independent Auditor's Assurance Report on Regularity to Gartree High School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 30 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 Gartree High School during the period 10 April 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 the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body 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 the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 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 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 period from 10 April 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 Annual Accounts Direction issued by the Education Funding Agency. 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.

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.

Gartree High School

Independent Auditor's Assurance Report on Regularity to Gartree High School and the Education Funding Agency

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.

In performing sample testing of expenditure, we have reviewed against specific terms of grant funding

- within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.

We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 10 April 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



S K Khullar (Senior Statutory Auditor)

For and on behalf of HW Leicester LLP, Chartered Accountants

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

17 December 2013

Gartree High School

Statement of Financial Activities for the Period from 10 April 2012 to 31 August 2013 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income					
Transfer on conversion	2	375,460	(557,000)	15,844,781	15,663,241
Activities for generating funds	3	300,700	-	-	300,700
Investment income	4	661	-	-	661
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	5	-	4,283,480	17,196	4,300,676
Total incoming resources		<u>676,821</u>	<u>3,726,480</u>	<u>15,861,977</u>	<u>20,265,278</u>
Resources expended					
<i>Cost of generating funds</i>					
Cost of generating funds		209,846	-	-	209,846
<i>Charitable activities</i>					
Academy's educational operations		-	4,002,027	394,825	4,396,852
Governance costs	8	-	4,825	-	4,825
Total resources expended	6	<u>209,846</u>	<u>4,006,852</u>	<u>394,825</u>	<u>4,611,523</u>
Net incoming/(outgoing) resources before transfers		466,975	(280,372)	15,467,152	15,653,755
Gross transfers between funds		<u>-</u>	<u>(15,274)</u>	<u>15,274</u>	<u>-</u>
Net income/(expenditure) for the period		466,975	(295,646)	15,482,426	15,653,755
Other recognised gains and losses					
Actuarial loss on defined benefit pension scheme	23	-	(196,000)	-	(196,000)
Net movement in funds/(deficit)		<u>466,975</u>	<u>(491,646)</u>	<u>15,482,426</u>	<u>15,457,755</u>
Reconciliation of funds					
Funds/(deficit) carried forward at 31 August 2013		<u>466,975</u>	<u>(491,646)</u>	<u>15,482,426</u>	<u>15,457,755</u>

Gartree High School

**Statement of Financial Activities for the Period from 10 April 2012 to 31 August 2013
(Including Income and Expenditure Account and Statement of Total Recognised Gains
and Losses)**


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

Gartree High School

(Registration number: 08023322)
Balance Sheet as at 31 August 2013

	Note	31 August 2013 £
Fixed assets		
Tangible assets	12	15,482,426
Current assets		
Debtors	13	179,954
Cash at bank and in hand		<u>739,287</u>
		919,241
Creditors Amounts falling due within one year	14	<u>(156,912)</u>
Net current assets		<u>762,329</u>
Total assets less current liabilities		<u>16,244,755</u>
Net assets excluding pension liability		16,244,755
Pension scheme liability	23	<u>(787,000)</u>
Net assets including pension liability		<u>15,457,755</u>
Funds of the Academy:		
Restricted funds		
Restricted general fund		295,354
Restricted fixed asset fund		15,482,426
Restricted pension fund		<u>(787,000)</u>
		14,990,780
Unrestricted funds		
Unrestricted general fund		<u>466,975</u>
Total funds		<u>15,457,755</u>

The financial statements on pages 22 to 45 were approved by the Trustees, authorised for issue on 17 December 2013 and signed on their behalf by


Mrs D Parmar
Chair

Gartree High School

Cash Flow Statement for the Period from 10 April 2012 to 31 August 2013

	Note	31 August 2013 £
Net cash inflow from operating activities	18	771,096
Returns on investments and servicing of finance	19	661
Capital expenditure and financial investment	20	<u>(32,470)</u>
Increase in cash in the period	21	<u><u>739,287</u></u>

Reconciliation of net cash flow to movement in net funds

Increase in cash in the period	739,287
Net funds at 10 April 2012	<u>-</u>
Net funds at 31 August 2013	<u><u>739,287</u></u>

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

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

1 Accounting policies

Basis of preparation

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

Conversion to an academy trust

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

The assets and liabilities transferred on conversion from to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees 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 Gartree High School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

Going concern

The trustees 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 trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

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

Grants receivable

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

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

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

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

1 Accounting policies (continued)

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

Resources expended

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

All resources expended are inclusive of irrecoverable VAT

Cost of generating funds

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

Charitable activities

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

Governance costs

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

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

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

Asset class	Depreciation method and rate
Long leasehold land	Not depreciated
Long leasehold buildings	50 years straight line basis
Furniture and equipment	5 years straight line basis
Computer equipment	5 years straight line basis

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.

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

1 Accounting policies (continued)

Pension benefits

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

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders 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/Department for Education.

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2013 £
Transfer on conversion	<u>375,460</u>	<u>(557,000)</u>	<u>15,844,781</u>	<u>15,663,241</u>

3 Activities for generating funds

	Unrestricted funds £	Total 2013 £
Hire of facilities	6,327	6,327
Recharges and reimbursements	242,290	242,290
Other sales	<u>52,083</u>	<u>52,083</u>
	<u>300,700</u>	<u>300,700</u>

4 Investment income

	Unrestricted funds £	Total 2013 £
Short term deposits	<u>661</u>	<u>661</u>

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

5 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2013 £
DfE/EFA capital grants			
Devolved capital income	-	17,196	17,196
DfE/EFA revenue grants			
General Annual Grant (GAG)	4,155,384	-	4,155,384
Start Up Grants	25,000	-	25,000
	<u>4,180,384</u>	<u>-</u>	<u>4,180,384</u>
Other government grants			
SEN funding from local authority	50,300	-	50,300
Local authority grants	49,630	-	49,630
Other grants	3,166	-	3,166
	<u>103,096</u>	<u>-</u>	<u>103,096</u>
Total grants	<u>4,283,480</u>	<u>17,196</u>	<u>4,300,676</u>

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2013 £
Costs of activities for generating funds	-	-	209,846	209,846
Academy's educational operations				
Direct costs	2,923,678	-	154,836	3,078,514
Allocated support costs	412,420	726,432	179,486	1,318,338
	<u>3,336,098</u>	<u>726,432</u>	<u>334,322</u>	<u>4,396,852</u>
Governance costs including allocated support costs	-	-	4,825	4,825
	<u>3,336,098</u>	<u>726,432</u>	<u>548,993</u>	<u>4,611,523</u>

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

6 Resources expended (continued)

Net incoming/outgoing resources for the period include.

	31 August 2013 £
Fees payable to auditor - audit	4,300
- other audit services	525
Depreciation of fixed assets	<u>394,825</u>

7 Charitable activities - Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2013 £
Direct costs			
Teaching and educational support staff costs	2,923,678	-	2,923,678
Educational supplies	126,598	-	126,598
Staff development	17,080	-	17,080
Educational consultancy	9,337	-	9,337
Other direct costs	<u>1,821</u>	<u>-</u>	<u>1,821</u>
	<u>3,078,514</u>	<u>-</u>	<u>3,078,514</u>
Allocated support costs			
Support staff costs	412,420	-	412,420
Depreciation	-	394,825	394,825
Maintenance of premises and equipment	86,262	-	86,262
Cleaning	86,060	-	86,060
Rent, rates and utilities	104,396	-	104,396
Insurance	54,889	-	54,889
Recruitment and support	5,148	-	5,148
Expected return on scheme assets	(25,000)	-	(25,000)
Interest on defined benefit pension scheme	59,000	-	59,000
Professional fees	15,172	-	15,172
Other support costs	<u>125,166</u>	<u>-</u>	<u>125,166</u>
	<u>923,513</u>	<u>394,825</u>	<u>1,318,338</u>
	<u>4,002,027</u>	<u>394,825</u>	<u>4,396,852</u>

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

8 Governance costs

	Restricted funds £	Total 2013 £
Auditors' remuneration		
Audit of financial statements	4,300	4,300
Other audit services	525	525
	<u>4,825</u>	<u>4,825</u>

9 Staff costs

	2013 £
Staff costs during the period were:	
Wages and salaries	2,735,631
Social security costs	191,915
Pension costs	382,544
Supply teacher costs	26,008
	<u>3,336,098</u>

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

	31 August 2013 No
Charitable Activities	
Teachers	37
Administration and support	29
Management	5
	<u>71</u>

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

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

9 Staff costs (continued)

	31 August 2013 No
£70,001 - £80,000	<u>1</u>

43 of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £270,778. 48 of the above employees participated in the Local Government Pension Scheme, pension contributions amounted to £111,776.

10 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' annualised remuneration was as follows:

Ms S L Singleton (Head teacher) £70,000 - £75,000

Mr P E Bannister (Staff trustee) £55,000 - £60,000

Ms S I Furlong (Staff trustee) £10,000 - £15,000

Mrs A L Patrick (Staff trustee) £40,000 - £45,000

Related party transactions involving the trustees are set out in note 24.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,723.

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

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
Additions	-	19,816	12,654	32,470
Transfers	<u>15,672,790</u>	<u>107,991</u>	<u>64,000</u>	<u>15,844,781</u>
At 31 August 2013	<u>15,672,790</u>	<u>127,807</u>	<u>76,654</u>	<u>15,877,251</u>
Depreciation				
Charge for the year	<u>345,332</u>	<u>30,962</u>	<u>18,531</u>	<u>394,825</u>
At 31 August 2013	<u>345,332</u>	<u>30,962</u>	<u>18,531</u>	<u>394,825</u>
Net book value				
At 31 August 2013	<u><u>15,327,458</u></u>	<u><u>96,845</u></u>	<u><u>58,123</u></u>	<u><u>15,482,426</u></u>

13 Debtors

	31 August 2013 £
Prepayments	33,958
VAT recoverable	18,522
Other debtors	<u>127,474</u>
	<u><u>179,954</u></u>

14 Creditors: amounts falling due within one year

	31 August 2013 £
Other taxation and social security	88,844
Accruals	<u>68,068</u>
	<u><u>156,912</u></u>

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

15 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2013 £
Restricted general funds				
General Annual Grant (GAG)	4,104,740	(3,794,112)	(15,274)	295,354
Start up grant	25,000	(25,000)	-	-
Other Dfe/EFA grants	65,658	(65,658)	-	-
Local authority grants	88,082	(88,082)	-	-
	<u>4,283,480</u>	<u>(3,972,852)</u>	<u>(15,274)</u>	<u>295,354</u>
Restricted fixed asset funds				
Long leasehold land and buildings	15,672,790	(345,332)	-	15,327,458
Other tangible assets on conversion	171,991	(49,493)	15,274	137,772
DfE/EFA capital grants	17,196	-	-	17,196
	<u>15,861,977</u>	<u>(394,825)</u>	<u>15,274</u>	<u>15,482,426</u>
Restricted pension funds				
Pension reserve	<u>(557,000)</u>	<u>(34,000)</u>	<u>(196,000)</u>	<u>(787,000)</u>
Total restricted funds	19,588,457	(4,401,677)	(196,000)	14,990,780
Unrestricted funds				
Unrestricted general funds	<u>676,821</u>	<u>(209,846)</u>	<u>-</u>	<u>466,975</u>
Total funds	<u>20,265,278</u>	<u>(4,611,523)</u>	<u>(196,000)</u>	<u>15,457,755</u>

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

Restricted general funds

This fund represents grants received for the Academy's operational activities and development. It includes the pension reserve, which represents the potential liability due by the Academy at the period end.

Restricted fixed asset fund

The fund represents the net book value of fixed assets that the Academy has purchased out of grants received or were transferred on conversion.

Unrestricted funds

The unrestricted fund represents funds available to the trustees to apply for the general purposes of the Academy.

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

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	15,482,426	15,482,426
Current assets	466,975	452,266	-	919,241
Current liabilities	-	(156,912)	-	(156,912)
Pension scheme liability	-	(787,000)	-	(787,000)
Total net assets	<u>466,975</u>	<u>(491,646)</u>	<u>15,482,426</u>	<u>15,457,755</u>

17 Financial commitments

Operating leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows

Operating leases which expire:

	31 August 2013 £
Other	
Within two to five years	<u>5,739</u>

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

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

	31 August 2013 £
Net income	15,653,755
Depreciation	394,825
Assets and liabilities inherited on conversion	(15,287,781)
Interest receivable	(661)
FRS 17 expected return on scheme assets	(25,000)
FRS 17 interest on defined benefit pension scheme	59,000
Increase in debtors	(179,954)
Increase in creditors	156,912
Net cash inflow from operating activities	<u>771,096</u>

19 Returns on investments and servicing of finance

	31 August 2013 £
Interest received	661
Net cash inflow from returns on investments and servicing of finance	<u>661</u>

20 Capital expenditure and financial investment

	31 August 2013 £
Purchase of tangible fixed assets	<u>(32,470)</u>

21 Analysis of changes in net funds

	Cash flows £	At 31 August 2013 £
Cash at bank and in hand	<u>739,287</u>	<u>739,287</u>

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

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

23 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 August 2012

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

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

23 Pension and similar obligations (continued)

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 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.

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

23 Pension and similar obligations (continued)

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 the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £146,000, of which employer's contributions totalled £112,000 and employees' contributions totalled £34,000. The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

23 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2013
	%
Rate of increase in salaries	5 00
Rate of increase for pensions in payment/inflation	3 00
Discount rate for scheme liabilities	5 00
Inflation assumptions (CPI)	<u>3 00</u>

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

	At 31 August 2013
Retiring today	
Males retiring today	21 00
Females retiring today	23 00
Retiring in 20 years	
Males retiring in 20 years	23 00
Females retiring in 20 years	<u>26 00</u>

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

	At 31 August 2013
	£
Equities	361,000
Government bonds	147,000
Property	51,000
Cash	<u>6,000</u>
Total market value of assets	565,000
Present value of scheme liabilities - funded	<u>(1,352,000)</u>
Deficit in the scheme	<u>(787,000)</u>

The expected rates of return were

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

23 Pension and similar obligations (continued)

	At 31 August 2013 %
Equities	7 00
Government bonds	4 00
Property	5 00
Cash	<u>4 00</u>

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

The actual return on scheme assets was £25,000

Amounts recognised in the statement of financial activities

	31 August 2013 £
Current service cost	<u>118,000</u>
Total operating charge	<u>118,000</u>

Analysis of pension finance income/(costs)

	31 August 2013 £
Expected return on pension scheme assets	25,000
Interest on pension liabilities	<u>(59,000)</u>
Pension finance costs	<u>(34,000)</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£196,000).

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

23 Pension and similar obligations (continued)

Movements in the present value of defined benefit obligation

	31 August 2013 £
At 1 June 2012	905,000
Current service cost	118,000
Interest cost	59,000
Employee contributions	34,000
Actuarial losses	236,000
At 31 August 2013	<u>1,352,000</u>

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

	31 August 2013 £
At 1 June 2012	348,000
Expected return on assets	25,000
Actuarial gains	46,000
Employer contributions	112,000
Employee contributions	34,000
At 31 August 2013	<u>565,000</u>

The estimated value of employer contributions for next period is £99,000

History of experience adjustments

Amounts for the current period are as follows

	31 August 2013 £
Present value of scheme liabilities	(1,352,000)
Fair value of scheme assets	565,000
Deficit in the scheme	<u>(787,000)</u>

	31 August 2013 £
Experience adjustments arising on scheme assets	46,000
Experience adjustments arising on scheme liabilities	<u>(236,000)</u>

Comparative figures have not been restated as permitted by FRS 17

Gartree High School

Notes to the Financial Statements for the Period from 10 April 2012 to 31 August 2013

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.

25 Conversion to an academy trust

On 1 June 2012 Gartree High School converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Gartree High School from the Leicestershire County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Freehold/leasehold land and buildings	-	-	15,672,790	15,672,790
Other tangible fixed assets	-	-	171,991	171,991
Budget surplus on LA funds	375,460	-	-	375,460
LGPS pension deficit	-	(557,000)	-	(557,000)
Net assets/(liabilities)	<u>375,460</u>	<u>(557,000)</u>	<u>15,844,781</u>	<u>15,663,241</u>

School Improvement Plan 2013-14

‘Aspiring to Personal Excellence in a Supportive Community’							
	1	2	3	4			
	Pupil achievement	The quality of teaching	Behaviour and Safety	Leadership and Management			
	Continue to raise achievement	Provide a stimulating and challenging learning environment for all	Create a positive ethos for continued improvement	The pursuit of excellence in all school activities			
a	Ensure effective data management systems and procedures are in place to scrutinise pupil performance data Target setting and tracking supports and sustains outstanding achievement	a Implement a support structure to develop all teachers <ul style="list-style-type: none">• Good to outstanding programme for all good teachers Support programme for all those not consistently good• Provide opportunities for outstanding practitioners to share good practice• Coaching and mentoring to develop individuals/support• A programme for all teachers in the early years of their career	a Outstanding tutoring and pastoral care is embedded across all year groups <ul style="list-style-type: none">• Preparation for a house system is in place• Focus on attendance	a Evaluation of the quality of our curriculum provision <ul style="list-style-type: none">• Content should engage, motivate and inspire• Structure and delivery of Y6• Focus on the structure of the timetable			
b	All groups making rapid and sustained progress over time Learning exceptionally well across the curriculum Particular focus on FMS pupils and the effective use of pupil premium	b Written feedback is regular and specific across the curriculum	b Develop a personalised and alternative curriculum appropriate for some vulnerable pupils	b Continue to develop leadership – particular emphasis on - <ul style="list-style-type: none">• Data and Standards• High performing teams• Ownership and accountability			
c	Intervention for underperforming pupils from September Tracking allows prompt action from departments/ pastoral team	c Lesson planning, strategies and activities match the needs of all pupils	c Use behaviour for learning strategies to inspire and motivate pupils Further develop our rewards system	c Embed PIM procedures – ensuring the successful implementation of PRP			
d	Improve the quality of reporting to parents			d Devise and implement a programme of professional learning for all teaching staff			
e	Devise a system for assessing the impact of the enrichment curriculum on pupil experience and achievement			e Induction and implementation of new admin structure, roles and responsibilities			
				f Continue to improve communication systems			
				g Develop governance through ‘link governors’ to department/ curriculum areas			