

Registered number 08197353

LADY JANE GREY PRIMARY SCHOOL

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

THURSDAY



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LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013**

Trustees	David Ryan, Chair to 30/06/2013 (appointed 31 August 2012, resigned 30 June 2013) Eileen Brown, Vice Chair (appointed 31 August 2012) Andrea Doyle (appointed 12 September 2012, resigned 17 October 2012) Tina Coleman, Staff Trustee (appointed 12 September 2012) Roger Duffield, LA Governor (appointed 31 August 2012) Michael Fitzgerald, Head Teacher (appointed 31 August 2012) Nick Foreman (appointed 31 August 2012) Adam Knight (appointed 31 August 2012) Juliet Martin, Acting Chair from 01/07/2013 and Chair from 01/09/2013 (appointed 31 August 2012) Claire McAtee (appointed 31 August 2012, resigned 1 May 2013) Katherine Renshaw, Staff Trustee (appointed 12 September 2012) Amanda Williams (appointed 31 August 2012) Leslie Watterson, Business & Community Governor (appointed 1 May 2013) Olusola Mosaku (appointed 12 September 2012, resigned 1 May 2013)
Company registered number	08197353
Principal and registered office	Wolsey Close Groby Leicester LE6 0ZA
Senior management team	Michael Fitzgerald, Headteacher
Independent auditors	Clear & Lane Chartered Accountants 340 Melton Road Leicester LE4 7SL
Bankers	Lloyds TSB Bank Plc

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

The Trustees (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 Lady Jane Grey Primary School (the academy) for the period ended 31 August 2013. The Trustees 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

● **Constitution**

The academy trust is a company limited by guarantee and a registered charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company was incorporated on 31 August 2012. The school converted to academy status on 1 October 2012 when its operations, assets and liabilities were transferred to the academy from the local authority.

The governors act as the Trustees for the charitable activities of Lady Jane Grey Primary School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lady Jane Grey Primary School and also The Vision Trust. Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administration Information.

● **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.

● **Method of recruitment and appointment or election of Trustees**

Trustees are appointed as follows:

Parent Trustees - Through open election for all eligible parents or guardians of pupils who attend Lady Jane Grey Primary School.

Staff Trustees - Through open election for all eligible members of staff working at Lady Jane Grey Primary School.

● **Policies and procedures adopted for the induction and training of Trustees**

We expect all Trustees to undertake training as appropriate to their work at the academy. New Trustees will be provided with an induction programme delivered partly in-house and partly through external sources as required. A log is kept of all Trustees' training and reviewed on a regular basis at governing body meetings.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

● **Organisational structure**

The Trustees determine the general policy of the academy. The day to day running of the academy is delegated to the Headteacher, supported by the senior leadership team. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior leadership team. The day to day administration is undertaken within the policies and procedures approved by the Trustees which provide for only significant expenditure and major capital projects to be referred to the Trustees for prior approval.

The Headteacher oversees the recruitment of all educational staff, whilst under delegated authority the school business manager oversees the recruitment of administrative and non-teaching support staff. The Headteacher is an ex-officio Trustee, Principal Accounting Officer and attends all meetings. The school business manager is invited to attend Trustees' meetings as appropriate.

● **Structure, governance and management**

The Governors, who are also the charity Trustees, are responsible for the overall management and control of the academy and meet three to four times per year.

The work of reviewing and monitoring most of their policies is delegated to members of the

- Finance & Business committee
- Leadership & Management, Achievement, Learning
- Behaviour & Safeguarding
- Pay Committee

These meet at least once each term (with exception of the pay committee who meet at least annually in the autumn term) and work under the chairmanship of a Trustee appointed at the first committee meeting of each academic year. Terms of reference of these committees are agreed annually at this meeting. The clerk to the Trustees is responsible for co-ordinating the work of the Trustees and their Committees, preparation of agenda and papers and review of matters arising. The school business manager is responsible for preparation of accounts.

All Trustees give of their time freely and no remuneration and no expenses were paid in the year.

● **Risk management**

The Trustees are responsible for the overseeing of the risks faced by the academy. Detailed considerations of risk are delegated to the senior leadership team of the academy. Risks are identified, assessed and controls established throughout the period. A formal review of the academy's risk management processes will be undertaken on an annual basis. Risk is managed under the headings of

- Strategic and Reputational Risks
- Operational Risks
- Compliance Risks
- Financial Risks

Through the risk management processes established for the academy, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

• **Trustees' indemnities**

In accordance with normal practice the academy has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy business. The cover under the policy is £3 million and in period under review the sum of £70 inclusive of tax was paid.

• **Principal activities**

Lady Jane Grey Primary School's purpose is to provide high quality learning activities to pupils at the academy and the wider community of which we serve.

OBJECTIVES AND ACTIVITIES

• **Objects and aims**

Lady Jane Grey Primary School's object is specifically restricted to the following, to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum.

• **Objectives, strategies and activities**

The purpose of the academy is to be a learning community where young people and adults share the search for knowledge, truth and pursuit of excellence. Our vision is to deliver outstanding learning to all pupils.

Our belief, as communicated to the pupils, is that we all should aim to be the best we can be because we

- know unrecognised talent lies latent in all of us
- believe in you not only as you are but also what you might become
- want you to be able to achieve even more than you hoped to achieve
- know that personal motivation is a critical factor in achieving success

Our values are to

Mission Statement

At LJG we aim

- To seek excellence in all that we attempt, setting high standards, having high expectations in all we do and personalised targets to ensure that all of our children reach their potential
- To offer a broad and balanced creative curriculum which is both relevant and well resourced, creatively delivering the requirements of our academy curriculum and promoting appreciation of the arts through music, visual arts, literature, dance and drama
- To promote outstanding learning through the positive ethos of the academy and those who work within it
- To provide a secure environment where both children and adults feel valued and respect others and their choices and beliefs
- To support and extend children's learning opportunities, ensuring that everyone enjoys their experiences
- To work with our local community to enrich and enhance the lives of all who come into contact with our academy
- To encourage independence whilst appreciating the needs of others
- To actively seek to do the right thing and to be a good friend

And to be the best we can be!

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TRUSTEES' REPORT (continued)
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

• **Public benefit**

Lady Jane Grey Primary School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims

The Trustees have complied with their duty to have due regard to the guidance of public benefit published by the Charity Commission

Achievements and Performance

Our academic results again showed further improvements with some of our public examination results being the best achieved by the School to date

KS2 Progress

- For the last 6 years LJG children have left KS2 significantly above the national expectations in both English and Maths
- The progress for Year 6 2011 was significantly above expectations from FFT for this cohort. Progress for this year's Year 6 in all subject areas is significantly above expectations
- Progress this year in all subject areas is significantly above expected

KS1 Attainment and Progress

- In KS1 there has been an upward trend in attainment since the downward dip in 2011 (the current Year 5)
- Progress has been above expected throughout KS1 for many years (with the exception for maths in 2010 and 2012, whereby progress was at the expected level)

FS Attainment and Progress

- In general, children enter FS below or in line with age related expectations
- In most cases (except for the current Year 4 in reading and writing, and the current Year 1 in maths) they leave FS equal to or above age related expectations
- Progress through FS is equal to and in most cases above expectations

Our key achievements and activities in the 2012/13 academic year have included

- Establishing a new Senior Leadership Team which includes the promotion of the Year 6 teacher to Assistant Headteacher and the appointment of the School Business Manager
- An improved School Development Plan
- The introduction of the Quality Assurance Calendar
- The re-structure of support staff
- Continued staff development through regular teacher training sessions and establishment of a middle and established leader training programme
- An improved and updated website
- The improved and updated library funded by the HSA (Home School Association)

ACHIEVEMENTS AND PERFORMANCE

• **Going concern**

After making appropriate enquiries, the board of trustees 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.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

• **Connected Organisations, including Related Party Relationships**

The Headteacher is a member of a number of professional organisations which enable him to keep abreast of current educational matters and network with other outstanding schools to share expertise, knowledge and experience

- As part of its work the academy is in partnership with
 - Vision Trust Members
 - Ratby Primary School
 - Brookvale High School
 - Groby Community College
- The Teaching School Alliance – Affinity This partnership forms the CPD Programme for Teaching and Support staff The partnership ensures that the school remains at the forefront of educational thinking and innovation
- Explore Partnership – Developing classroom practice and exchanging principles of school improvement
 - Burbage Infant School
 - Elizabeth Woodville Primary School

FINANCIAL REVIEW

• **Financial Review**

Excluding the funds received on conversion to academy status, the majority of the school's funding was provided by the Education Funding Agency (EFA) The school's total incoming resources for the period 1 October 2012 to 31 August 2013 amounted to £2,628,152 of which £1,816,554 related to donated assets received on conversion and £746,480 related to the EFA General Annual Grant

At the end of the period the school held no free reserves (unrestricted funds) Free reserves are those which can be spent on any activities within the academy's charitable objects Restricted funds are those funds (excluding the fixed asset and pension funds) that are to be spent in line with particular grant terms The academy had a deficit of £6,118 on restricted funds at 31 August 2013

The very small reserves deficit budget has occurred for the following reasons

- Restructure of the support staff including learning support assistants, cover supervisors, office staff and premises staff took place during Summer Term 2013 This resulted in redundancy, compensation, payments in Lieu of notice and pension capital cost payments in excess of £28,000 The academy Trustees made this difficult decision to reduce staffing levels and understand that this was a short term expenditure for a long term benefit The projected savings per annum were in excess of £64,000
- The academy has invested in capital equipment of £13,500 to allow its new catering contractor to provide a better service at a lower cost than previously experienced

The academy Trustees are committed to ensuring a deficit budget will not re-occur in the future and are dedicated to meeting the reserves target in the medium term

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TRUSTEES' REPORT (continued)
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

- **Principal risks and uncertainties**

At 31 August 2013 the pension deficit on the Local Government Pension Scheme stood at £195,000. The academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contributions rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

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

- **Reserves policy**

The academy has recently agreed that they will aim to hold a reserves amount of 5% of the annual budget. The Trustees aim to achieve this over the next 3 years from September 2013.

- **Material investments policy**

The academy does not currently have an investment policy as reserves have not been sufficient for investment.

PLANS FOR THE FUTURE

- **Plans for the future**

The Trustees intend to continue their current strategies of maintaining the academy's position in a competitive market by providing outstanding education for all pupils. Achieving high standards of academic results is a constant aim whilst maintaining the breadth and depth of wider education to develop the whole person.

The Headteacher, curriculum manager and senior leadership team continue to review the curriculum to ensure that the educational qualifications remain appropriate for our pupils' development.

Our future plans are financed from income direct from the DfE, related to pupil numbers and other lump-sum factors. Trustees will ensure funding is invested appropriately for the next generation of pupils as they have done in the past for current pupils.

Maintaining and, where necessary, developing the fabric of the facilities of the academy are central to our strategy. Our plans are primarily focused on maintaining and developing the academy site to maximise opportunities for all.

We have a planned programme of maintenance and investment for the academy site. Each year we review our computer equipment and infrastructure to ensure our pupils and staff have the very best technology we can provide.

Environmental issues are also a high priority and we continue to develop our buildings to ensure they are more energy efficient.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

Disclosure of information to auditors

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

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

Auditors

The auditors, Clear & Lane, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by order of the board of trustees on 11 December 2013 and signed on its behalf by



Juliet Martin
Chair of Trustees

LADY JANE GREY PRIMARY SCHOOL
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GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Lady Jane Grey Primary 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 board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lady Jane Grey Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees 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 Trustees' responsibilities statement. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
David Ryan, Chair to 30/06/2013	5	6
Eileen Brown, Vice Chair	6	6
Andrea Doyle	1	1
Tina Coleman, Staff Trustee	4	6
Roger Duffield, Community Trustee	5	6
Michael Fitzgerald, Head Teacher	6	6
Nick Foreman, Community Trustee	4	6
Adam Knight, Parent Trustee	6	6
Juliet Martin, Parent Trustee, Acting Chair from 01/07/2013 and Chair from 01/09/2013	6	6
Claire McAtee, Parent Trustee	2	2
Katherine Renshaw, Staff Trustee	6	6
Amanda Williams, Chair of Finance/Parent Trustee	5	6
Leslie Watterson, Business & Community Trustee	1	1
Olusola Mosaku	5	6

The key changes in year are that Mr David Ryan stepped down as Chair of the Governing Body as at 30th June 2013. This vacancy will be voted on at the Full Governing Body meeting in September 2013 and Mrs Juliet Martin was appointed as Chair of Governors. Mrs A Doyle resigned as a Governor in November 2012 and Mrs Clare McAtee, Parent Governor resigned in May 2013. Mr Leslie Watterson, Business & Community Governor, was appointed in July 2013.

The Finance and Business Committee is a sub-committee of the main governing body. Its purpose is to ensure the school has strategic plans in place to deliver effective teaching and learning within the school budget.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
David Ryan, Chair of Trustees	3	4
Tina Coleman, Staff Trustee	2	4
Michael Fitzgerald, Head Teacher	3	4
Adam Knight, Parent Trustee	4	4
Amanda Williams, Chair of Finance/Parent Trustee	4	4
Leslie Watterson, Business & Community Trustee	2	2

LADY JANE GREY PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

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 Lady Jane Grey Primary School for the period 31 August 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees 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 board of trustees 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 period 31 August 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 board of trustees.

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 board of trustees,
- regular reviews by the finance and business 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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed the Local Authority Auditing Service to act, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The RO carried out the audit health check in August 2013. The only outstanding item from the recommendations made is:

- The Academy should look to draw up written procedure notes for financial tasks to promote effective continuity of operation in the absence of key finance staff.

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GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

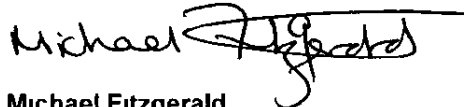
- the work of the Responsible Officer,
- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and business 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 board of trustees on 11 December 2013 and signed on their behalf, by



Juliet Martin
Chair of Trustees



Michael Fitzgerald
Accounting Officer

LADY JANE GREY PRIMARY SCHOOL

(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Lady Jane Grey Primary School I have considered my responsibility to notify the academy board of trustees 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 board of trustees 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



**Michael Fitzgerald, Head Teacher
Accounting Officer**

Date 11 December 2013

LADY JANE GREY PRIMARY SCHOOL
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

The Trustees (who act as governors of Lady Jane Grey Primary School and are also 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 then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- 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 11 December 2013 and signed on its behalf by



Juliet Martin
Chair of Trustees

LADY JANE GREY PRIMARY SCHOOL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LADY JANE GREY PRIMARY SCHOOL

We have audited the financial statements of Lady Jane Grey Primary School for the 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 Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (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 Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 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 Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LADY JANE GREY PRIMARY 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



Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

Clear & Lane

Chartered Accountants
Statutory Auditors

340 Melton Road

Leicester

LE4 7SL

Date 20/12/13

LADY JANE GREY PRIMARY SCHOOL

(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LADY JANE GREY PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 April 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 Lady Jane Grey Primary School during the period 31 August 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 Lady Jane Grey Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lady Jane Grey Primary 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 Lady Jane Grey Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lady Jane Grey Primary School's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Lady Jane Grey Primary School's funding agreement with the Secretary of State for Education, 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 period 31 August 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.

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LADY JANE GREY
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 31 August 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



Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

Clear & Lane

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL

Date 20/12/13

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income - transfer from local authority on conversion	2	39,775	(158,000)	1,934,779	1,816,554
Other voluntary income	2	-	5,343	-	5,343
Activities for generating funds	3	12,654	-	-	12,654
Investment income	4	71	-	-	71
Incoming resources from charitable activities	5	26,200	760,877	6,453	793,530
TOTAL INCOMING RESOURCES		78,700	608,220	1,941,232	2,628,152
RESOURCES EXPENDED					
Charitable activities	10	13,853	803,350	38,245	855,448
Governance costs	6	16,604	12,706	-	29,310
TOTAL RESOURCES EXPENDED	9	30,457	816,056	38,245	884,758
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		48,243	(207,836)	1,902,987	1,743,394
Transfers between Funds	18	(48,243)	43,718	4,525	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		-	(164,118)	1,907,512	1,743,394
Actuarial gains and losses on defined benefit pension schemes		-	(37,000)	-	(37,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		-	(201,118)	1,907,512	1,706,394
Total funds at 31 August 2012		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		-	(201,118)	1,907,512	1,706,394

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

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

The notes on pages 21 to 38 form part of these financial statements

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER 08197353

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	14		1,907,512
CURRENT ASSETS			
Stocks	15	849	
Debtors	16	43,994	
Cash at bank		20,712	
		<u>65,555</u>	
CREDITORS amounts falling due within one year	17	<u>(71,673)</u>	
NET CURRENT LIABILITIES			<u>(6,118)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,901,394</u>
Defined benefit pension scheme liability	25		<u>(195,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,706,394</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
Restricted funds	18	(6,118)	
Restricted fixed asset funds	18	1,907,512	
		<u>1,901,394</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(195,000)</u>	
Total restricted funds			<u><u>1,706,394</u></u>
TOTAL FUNDS			<u><u>1,706,394</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 11 December 2013 and are signed on their behalf, by



Juliet Martin
Chair of Trustees

The notes on pages 21 to 38 form part of these financial statements

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013**

	Note	2013 £
Net cash flow from operating activities	20	(14,609)
Returns on investments and servicing of finance	21	71
Capital expenditure and financial investment	21	(4,525)
Cash transferred on conversion to an academy trust	23	39,775
INCREASE IN CASH IN THE YEAR		<u><u>20,712</u></u>

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

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013**

	2013 £
Increase in cash in the year	<u>20,712</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>20,712</u>
NET FUNDS AT 31 AUGUST 2013	<u><u>20,712</u></u>

The notes on pages 21 to 38 form part of these financial statements

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

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.

The Trustees consider the academy to be a going concern despite the deficit on reserves at the period end, which was caused largely by short term costs incurred to achieve longer term savings in staffing and catering.

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 Trustees.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Transfers between funds and between categories of funds i.e. restricted, designated and unrestricted funds are only processed with due regard to grant terms, agreement of funders (where applicable) and due process where formal trustees' resolutions are required. Full disclosures are given within the notes to the accounts for any transfers processed.

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

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

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.

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.

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

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.

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 Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 academy 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.

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

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 the 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 provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	- 2% Straight line
Leasehold land	- Over 125 years
Fixtures and fittings	- 15% Straight line
ICT equipment	- 25% Straight line

1.7 STOCKS

Stocks are valued at the lower of cost and value in use.

1.8 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.

1.9 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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), 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.

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

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.

1.10 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 Lady Jane Grey Primary School 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 Lady Jane Grey Primary 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.

On conversion to an academy trust, the academy was gifted property from Leicestershire County Council. This was valued at depreciated replacement cost by the Education Funding Agency (EFA) at the date of conversion. The amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies. Other Fixed Assets have been valued on a the basis of open market value as at the date of conversion, by the trustees.

The pension liability inherited on conversion has been included at the valuation determined by the pension scheme actuary at the date of the conversion.

Further details of the transaction are set out in note 23.

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

2 VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Voluntary income - transfer from local authority on conversion	39,775	1,776,779	1,816,554
Other donations	-	5,343	5,343
Voluntary income	<u>39,775</u>	<u>1,782,122</u>	<u>1,821,897</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Breakfast club income	11,797	-	11,797
Letting income	532	-	532
Sundry income	325	-	325
	<u>12,654</u>	<u>-</u>	<u>12,654</u>

4 INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest	71	-	71

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
General annual grant (GAG)	-	746,480	746,480
Other DfE/EFA grants	26,200	20,850	47,050
	<u>26,200</u>	<u>767,330</u>	<u>793,530</u>

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

6 GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Governance Internal audit costs	-	513	513
Governance Auditors' remuneration	-	5,310	5,310
Governance Auditors' non audit costs	-	4,883	4,883
Governance Legal and professional fees	16,604	2,000	18,604
	<u>16,604</u>	<u>12,706</u>	<u>29,310</u>

7. DIRECT COSTS

	Educational Operations £	Total 2013 £
LGPS Pension interest cost (£13,000) less expected return on assets (£7,000)	6,000	6,000
Educational supplies	20,072	20,072
Staff development	4,494	4,494
Support staff costs	345	345
Depreciation	28,684	28,684
Teaching and educational support staff costs - salaries	483,036	483,036
Teaching and educational support staff costs - NI	29,658	29,658
Teaching and educational support staff costs - pensions	60,720	60,720
	<u>633,009</u>	<u>633,009</u>

8. SUPPORT COSTS

	Educational Operations £	Total 2013 £
Recruitment	850	850
Maintenance of premises and equipment	18,007	18,007
Cleaning	2,029	2,029
Rent and rates	4,979	4,979
Insurance	12,422	12,422
Depreciation	9,561	9,561
Catering	10,862	10,862
Other support costs	39,226	39,226
Technology costs	6,826	6,826
Energy costs	16,196	16,196
Support staff costs - salaries	84,812	84,812
Support staff costs - NI	3,152	3,152
Support staff costs - pensions	13,517	13,517
	<u>222,439</u>	<u>222,439</u>

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Other costs 2013 £	Total 2013 £
Educational Operations	573,414	59,595	633,009
Support costs - Educational Operations	101,481	120,958	222,439
CHARITABLE ACTIVITIES	674,895	180,553	855,448
GOVERNANCE	-	29,310	29,310
	674,895	209,863	884,758

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Educational Operations	633,009	222,439	855,448

11 STAFF COSTS

Staff costs were as follows

	2013 £
Wages and salaries	567,848
Social security costs	32,810
Other pension costs	74,237
	674,895

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

	2013 No.
Teachers	9
Administration and support	16
Management	1
	26

No employee received remuneration amounting to more than £60,000 in the period

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013**

12 TRUSTEES' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 3 Trustees in respect of defined contribution pension schemes

The Principal and other 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' remuneration in the period fell within the following bands

	2013 £
Michael Fitzgerald (For the period 1 October 2012 to 31 August 2013)	55,000-60,000
Katherine Renshaw (For the period 1 October 2012 to 31 August 2013)	35,000-40,000
Tina Coleman (For the period 1 October 2012 to 31 August 2013)	5,000-10,000

During the period, no Trustees received any reimbursement of expenses

13 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 £606

14 TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
Additions	-	10,978	-	10,978
Transfer on conversion	1,911,000	9,428	14,351	1,934,779
At 31 August 2013	1,911,000	20,406	14,351	1,945,757
DEPRECIATION				
Charge for the period	33,660	1,296	3,289	38,245
At 31 August 2013	33,660	1,296	3,289	38,245
NET BOOK VALUE				
At 31 August 2013	1,877,340	19,110	11,062	1,907,512

The land and buildings are held on a 125 year lease with the local authority. The value of the land and buildings on transfer has been arrived at using the EFA standard valuation on a depreciated replacement cost basis provided to the academy.

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

15. STOCKS

	2013 £
Classroom and other materials	849
	<u>849</u>

16 DEBTORS

	2013 £
VAT recoverable	26,644
Prepayments and accrued income	17,350
	<u>43,994</u>

17 CREDITORS
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £
Trade creditors	8,546
Taxation and social security	10,734
Other creditors	10,325
Accruals and deferred income	42,068
	<u>71,673</u>

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General Funds	-	78,700	(30,457)	(48,243)	-	-
	<u>-</u>	<u>78,700</u>	<u>(30,457)</u>	<u>(48,243)</u>	<u>-</u>	<u>-</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	746,480	(797,981)	43,718	-	(7,783)
Other DfE/EFA grants	-	14,397	(14,397)	-	-	-
Other restricted grants	-	2,400	(854)	-	-	1,546
Donation from HSA	-	2,943	(2,824)	-	-	119
Pension reserve	-	(158,000)	-	-	(37,000)	(195,000)
	<u>-</u>	<u>608,220</u>	<u>(816,056)</u>	<u>43,718</u>	<u>(37,000)</u>	<u>(201,118)</u>

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

DfE/EFA capital grants	-	6,453	-	-	-	6,453
Transfer from local authority	-	1,934,779	(38,245)	-	-	1,896,534
Capital expenditure from the GAG	-	-	-	4,525	-	4,525
	-	1,941,232	(38,245)	4,525	-	1,907,512
Total restricted funds	-	2,549,452	(854,301)	48,243	(37,000)	1,706,394
Total of funds	-	2,628,152	(884,758)	-	(37,000)	1,706,394

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

The General Annual Grant (GAG) relates to the school's development and operational activities. The school spent £54,025 more in the period on GAG related expenditure than the level of the GAG grant, so a transfer from unrestricted funds of £48,243 has been used to partly fund this overspend.

The DfE/EFA restricted funds grants consists of Pupil Premium and Special Educational Needs Additional Allowance (SENA) which were both fully spent in the year.

Other restricted funds grants consists of a donation from British Council to fund an educational trip to Tanzania. The above carried forward balance relates to the unspent funds at the period end.

Donation from HSA consists of a donation for repairs made during the period from HSA.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

DfE/EFA capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The transfer from local authority relates to the value of £1,934,779 (leasehold land and buildings plus moveable assets) transferred from the local authority to the academy on conversion.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

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.

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	1,907,512	1,907,512
Current assets	-	65,555	-	65,555
Creditors due within one year	-	(71,673)	-	(71,673)
Provisions for liabilities and charges	-	(195,000)	-	(195,000)
	<u>-</u>	<u>(201,118)</u>	<u>1,907,512</u>	<u>1,706,394</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £
Net incoming resources before revaluations	1,743,394
Returns on investments and servicing of finance	(71)
Gift of Land Buildings and assets from EFA	(1,974,554)
Depreciation of tangible fixed assets	38,245
Capital grants from DfE	(6,453)
Increase in stocks	(849)
Increase in debtors	(43,994)
Increase in creditors	71,673
FRS17 pension deficit on conversion	158,000
FRS17 pension cost less contributions payable	(6,000)
FRS17 pension finance costs	6,000
NET CASH OUTFLOW FROM OPERATIONS	<u>(14,609)</u>

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	<u>71</u>
	2013 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Purchase of tangible fixed assets	(10,978)
Capital grants from DfE	6,453
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(4,525)</u>

LADY JANE GREY PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

22. ANALYSIS OF CHANGES IN NET FUNDS

	31 August 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	-	20,712	-	20,712
NET FUNDS	-	20,712	-	20,712

23. CONVERSION TO AN ACADEMY TRUST

On 1 October 2012 Lady Jane Grey Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Lady Jane Grey Primary School from Leicestershire County Council 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 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	-	-	1,911,000	1,911,000
- Other tangible fixed assets	-	-	23,779	23,779
Budget surplus/(deficit) on LA funds	39,775	-	-	39,775
LGPS pension surplus/(deficit)	-	(158,000)	-	(158,000)
Net assets/(liabilities)	39,775	(158,000)	1,934,779	1,816,554

The surplus cash balance transferred from Leicestershire County Council on conversion amounted to £33,277 (Consisting of the final bank balance transferred from Leicestershire County Council of £28,923 plus the School Private Account balance at conversion of £4,354)

The above net assets within unrestricted funds include this £33,277 transferred cash, accruals adjusted upwards for income/expenditure of £6,498 going through the incorrect bank account from the perspective of which income/expenditure relates to the Local Education Authority school and which relates to the academy

24. MEMBERS' LIABILITY

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 31 AUGUST 2012 TO 31 AUGUST 2013

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 Leicestershire 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 March 2010

Contributions amounting to £10,325 were payable to the scheme at 31 August 2013 and are included within creditors

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 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

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25 PENSION COMMITMENTS (continued)

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 period ended 31 August 2013 was £53,000, of which employer's contributions totalled £42,000 and employees' contributions totalled £11,000. The agreed contribution rates for future years are 13% for employers and 5.5 - 7.5% for employees.

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 23 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

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25 PENSION COMMITMENTS (continued)

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 at the balance sheet date.

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.60	133,000
Bonds	3.80	54,000
Property	4.70	19,000
Cash	3.60	2,000
Total market value of assets		<u>208,000</u>
Present value of scheme liabilities		<u>(403,000)</u>
(Deficit)/surplus in the scheme		<u><u>(195,000)</u></u>

Expected returns on assets are calculated as follows -

The figures shown in the standard FRS17 report for Fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables

The only exception to the use of HRAM is in deriving the expected return on bond assets. Instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 October 2012 for the period to 31 August 2013, or date of joining the fund if later).

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NOTES TO THE FINANCIAL STATEMENTS
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25 PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows

	2013 £
Present value of funded obligations	(403,000)
Fair value of scheme assets	208,000
	<hr/>
Net liability	(195,000)
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The amounts recognised in the Statement of financial activities are as follows

	2013 £
Current service cost	(36,000)
Interest on obligation	(13,000)
Expected return on scheme assets	7,000
	<hr/>
Total	(42,000)
	<hr/>
Actual return on scheme assets	18,000
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Movements in the present value of the defined benefit obligation were as follows

	2013 £
Opening defined benefit obligation	295,000
Current service cost	36,000
Interest cost	13,000
Contributions by scheme participants	11,000
Actuarial Losses	48,000
	<hr/>
Closing defined benefit obligation	403,000
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Movements in the fair value of the academy's share of scheme assets

	2013 £
Opening fair value of scheme assets	137,000
Expected return on assets	7,000
Actuarial gains and (losses)	11,000
Contributions by employer	42,000
Contributions by employees	11,000
	<hr/>
	208,000
	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £37,000

The academy expects to contribute £51,000 to its Defined benefit pension scheme in 2014

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NOTES TO THE FINANCIAL STATEMENTS
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25 PENSION COMMITMENTS (continued)

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

	2013
Equities	64.00 %
Bonds	26 00 %
Property	9 00 %
Cash	1 00 %

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 %
Inflation assumption (CPI)	2.90 %
Commutation of pensions to lump sums	50 00 %

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	20.9
Females	23 3
Retiring in 20 years	
Males	23.3
Females	25.6

Amounts for the current period are as follows

Defined benefit pension schemes

	2013
	£
Defined benefit obligation	(403,000)
Scheme assets	208,000
Deficit	(195,000)
Experience adjustments on scheme assets	11,000

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NOTES TO THE FINANCIAL STATEMENTS
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Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

Change in assumptions as at 31 August 2013

	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	14%	55,000
1 year increase in member life expectancy	3%	12,000
0.5% increase in the Salary Increase Rate	8%	30,000
0.5% increase in the Pension Increase Rate	6%	23,000

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 trustee 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.

No material related party transactions took place in the period.